104

U.S. POLICY TOWARD IRAQ

Y 4. IN 8/16: IR 1/3

U.S. Policy Toward Iraq, 104-2 Hear...

HEARING

BEFORE THE

COMMITTEE ON INTERNATIONAL RELATIONS HOUSE OF REPRESENTATIVES

ONE HUNDRED FOURTH CONGRESS

SECOND SESSION

MARCH 28, 1996

Printed for the use of the Committee on International Relations

SUPERINTENDENT OF DOCUMENTS
DEPOSITORY
SEP 19 1996
BOSTON PUBLIC LIBRARY
GOVERNMENT DOCUMENTS DEPARTMENT

U.S. GOVERNMENT PRINTING OFFICE

26-149 CC WASHINGTON : 1996

For sale by the U.S. Government Printing Office
Superintendent of Documents, Congressional Sales Office, Washington, DC 20402
ISBN 0-16-052976-X

104

U.S. POLICY TOWARD IRAQ

Y 4. IN 8/16: IR 1/3

U.S. Policy Toward Iraq, 104-2 Hear...

HEARING

BEFORE THE

COMMITTEE ON INTERNATIONAL RELATIONS HOUSE OF REPRESENTATIVES

ONE HUNDRED FOURTH CONGRESS

SECOND SESSION

MARCH 28, 1996

Printed for the use of the Committee on International Relations

DEPOSITORY

SEP 19 1996

BOSTON PUBLIC LIBRARY

U.S. GOVERNMENT PRINTING OFFICE

26–149 CC WASHINGTON : 1996

For sale by the U.S. Government Printing Office
Superintendent of Documents, Congressional Sales Office, Washington, DC 20402
ISBN 0-16-052976-X

COMMITTEE ON INTERNATIONAL RELATIONS

BENJAMIN A. GILMAN, New York, *Chairman*

WILLIAM F. GOODLING, Pennsylvania
JAMES A. LEACH, Iowa
TOBY ROTH, Wisconsin
HENRY J. HYDE, Illinois
DOUG BEREUTER, Nebraska
CHRISTOPHER H. SMITH, New Jersey
DAN BURTON, Indiana
JAN MEYERS, Kansas
ELTON GALLEGLY, California
ILEANA ROS-LEHTINEN, Florida
CASS BALLENGER, North Carolina
DANA ROHRABACHER, California
DONALD A. MANZULLO, Illinois
EDWARD R. ROYCE, California
PETER T. KING, New York
JAY KIM, California
SAM BROWNBACK, Kansas
DAVID FUNDERBURK, North Carolina
STEVEN J. CHABOT, Ohio
MARSHALL "MARK" SANFORD, South Carolina
MATT SALMON, Arizona
AMO HOUGHTON, New York
TOM CAMPBELL, California

LEE H. HAMILTON, Indiana
SAM GEJDENSON, Connecticut
TOM LANTOS, California
ROBERT G. TORRICELLI, New Jersey
HOWARD L. BERMAN, California
GARY L. ACKERMAN, New York
HARRY JOHNSTON, Florida
ELIOT L. ENGEL, New York
ENI F.H. FALEOMAVAEGA, American Samoa
MATTHEW G. MARTINEZ, California
DONALD M. PAYNE, New Jersey
ROBERT E. ANDREWS, New Jersey
ROBERT MENENDEZ, New Jersey
SHERROD BROWN, Ohio
CYNTHIA A. MCKINNEY, Georgia
ALCEE L. HASTINGS, Florida
ALBERT RUSSELL WYNN, Maryland
JAMES P. MORAN, Virginia
VICTOR O. FRAZER, Virgin Islands (Ind.)
CHARLIE ROSE, North Carolina
PAT DANNER, Missouri

RICHARD J. GARON, *Chief of Staff*
MICHAEL H. VAN DUSEN, *Democratic Chief of Staff*
DEBORAH BODLANDER, *Professional Staff Member*
PARKER H. BRENT, *Staff Associate*

CONTENTS

WITNESSES

	Page
The Honorable Madeleine Albright, U.S. Permanent Representative to the United Nations, Department of State	2
Dr. Phebe Marr, Senior Fellow, Institute for National Strategic Studies, National Defense University	15
Dr. David Kay, Senior Vice President, Hicks and Associates, Inc.	18
Dr. Christine Helms, Director of Country Analysis, Petroleum Finance Company	21
Mr. Alan Makovsky, Senior Fellow, Washington Institute for Near East Policy	24
Ms. Rend Francke, Executive Director, Iraq Foundation	27

APPENDIX

Prepared statements:	
Ambassador Madeleine Albright	37
Dr. Phebe Marr	48
Dr. David Kay	57
Dr. Christine Helms	63
Mr. Alan Makovsky	73
Ms. Rend Francke	80
Responses by the Department of State to additional questions submitted by Chairman Benjamin Gilman	87
Additional information submitted by the Department of State	90

U.S. POLICY TOWARD IRAQ

THURSDAY, MARCH 28, 1996

HOUSE OF REPRESENTATIVES,
COMMITTEE ON INTERNATIONAL RELATIONS,
Washington, DC

The committee met, pursuant to call, at 11 a.m., Room 2172, Rayburn House Office Building, Hon. Benjamin A. Gilman (chairman of the committee), presiding.

Chairman GILMAN. The committee will come to order. We regret the delay this morning. We had some leadership meetings that delayed us. This morning the Committee on International Relations will review U.S. policy toward Iraq and Iraqi compliance with relevant U.N. Security Council Resolutions.

The chairman of the U.N. Weapons Inspection Team, Rolf Ekeus, told our Senate colleagues just a few days ago that Iraq might still be hiding 6 to 16 Scud missiles as well as warheads capable of carrying chemical or biological weapons. These latest revelations demonstrate that Iraq and its dictator, Saddam Hussein, are still trying to mislead the international community and preserve their weapons of mass destruction.

Iraq also has failed to account for some 600 Kuwaitis who are still missing and believed held in Iraq since the Persian Gulf War. These actions are certainly contrary to the U.N. Cease Fire Resolutions, particularly Resolution 687.

Meanwhile, Saddam Hussein continues to spend lavishly on the elite while most of his people barely get enough to eat. Iraq has a much larger and more capable conventional army than virtually all of its neighbors, despite being defeated some 5 years ago.

Clearly, Iraq remains a threat to its neighbors and to peace and stability in the Middle East. In order to discuss these issues, we are pleased to have with us this morning Ambassador Madeleine Albright, the U.S. permanent representative to the United Nations. Ambassador Albright will be followed by a panel of leading academics and policy analysts who follow Iraq closely.

I want to thank all of the witnesses for appearing before the committee today, and particularly Ambassador Albright, for coming away from New York City; and I hope they will continue to keep us apprised of events in Iraq in the future.

Our lead witness this morning is Ambassador Madeleine Albright, the U.S. permanent representative to the United Nations. Because the United Nations plays such a major role in international policy toward Iraq, Ambassador Albright is heavily involved with our Administration on Iraqi policy and in ensuring Saddam Hussein's compliance with Iraq's cease-fire commitments.

We have asked Ambassador Albright to discuss U.N. Security Council deliberations on sanctions that are in place with regard to Iraq, with regard to U.N. efforts to verify Iraq's weapons of mass destruction declarations, and the U.N-Iraq talks on a temporary sale of oil, and the status of Kuwait's mission since the Gulf War, and other related matters.

Madam Ambassador, we welcome you to our committee once again. We look forward to your presentation. I realize you need to leave around noon, so please begin.

STATEMENT OF AMBASSADOR MADELEINE K. ALBRIGHT, PERMANENT REPRESENTATIVE OF THE UNITED STATES TO THE UNITED NATIONS, DEPARTMENT OF STATE

Ms. ALBRIGHT. OK. Thank you very much, Mr. Chairman, and I am very glad to be up here again to talk to you and other members of the committee. My oral statement is going to be a little longer than I would like and you might like, but I have some photography that I wanted to have you all see, which is an integral part of the questions that you have, in fact, asked, so with your permission.

Chairman GILMAN. Please proceed.

Ms. ALBRIGHT. I welcome the chance to discuss with you our policy toward Iraq, with particular attention to the aspects of that policy that are carried out through the United Nations.

As members of this committee know, since the Persian Gulf War, the United States has been determined to prevent Iraq from again becoming a serious threat to international stability and peace. In this effort, the strong, bipartisan support of Members of Congress has been essential, and the tool of U.N. economic and weapons sanctions has been of singular value. It is our policy that these sanctions should remain until Iraq is in overall compliance with all relative Security Council resolutions.

It is fair to say that the United States and Saddam Hussein do not see eye to eye on this policy. Saddam complains to all who will listen that sanctions are unfair and that they have inflicted great hardship on the Iraqi people. The truth is that the United States and the United Nations have shown far greater compassion for the Iraqi people than has Saddam Hussein. This is evidenced by Saddam's putting-people-last spending priorities and by his past rejection of Security Council efforts to alleviate the adverse humanitarian impact of sanctions.

The most recent of these efforts was incorporated in Security Council Resolution 986, approved last April, to allow the sale of up to a billion dollars of Iraqi oil every 3 months to finance the purchase of humanitarian supplies.

As members of this committee are aware, the Iraqi Government did decide recently to enter into discussions with U.N officials concerning Resolution 986. We hope those discussions, which are scheduled to resume on April 8, will be successful. The Iraqi people have suffered enough as a result of their government's misguided policies. Resolution 986 provides a means of relief without undermining the integrity of the overall sanctions regime.

Whether or not the "oil-for-food" discussions lead to an agreement, the fundamental question involving Iraq's relationship to the world community will remain. That issue is whether or not Iraq is

in compliance with the resolutions approved by the Security Council.

Unfortunately, since 1991, Iraqi leaders have done everything except comply with these resolutions. They have delayed and obfuscated. They have demanded concessions in return for small steps. They have threatened and bullied UNSCOM. They have lied. In 1994, they even attempted to intimidate the Security Council by threatening military maneuvers directed toward Kuwait.

These tactics have not worked, and the United States is determined that they will never work. Iraq must understand: it can comply now, or it can comply later; but if the sanctions regime is to be lifted, Iraq has no other choice but to comply.

Our resolve on this point is unwavering. Hundreds of thousands of American soldiers put their lives on the line to roll back Iraq's brutal invasion of Kuwait. We will not allow Saddam Hussein to regain in the Security Council what he forfeited through his own miscalculation on the battlefield.

During the next few minutes, with the help of Mr. James McMann and Edward Pendleton of the National Intelligence Council, I would like to review with you the facts concerning Iraqi compliance and noncompliance with the relevant Security Council resolutions.

First, the United States fully supports the efforts of the chairman of the U.N. Special Commission, Rolf Ekeus, to fulfill his mandate under Security Council Resolution 687 and to ensure the full dismantling of Iraq's weapons of mass destruction programs.

Unfortunately, Iraq continues to hide details of its past weapons programs. Most recently, it delayed UNSCOM's inspections on five separate occasions, each delay a violation of its obligations to the Security Council.

The scope and timeliness of UNSCOM's inspection and monitoring activities in Iraq is not an academic matter. We share the concern expressed by Chairman Ekeus here in Washington last week that Iraq may still retain a dozen or more Scud missiles and several mobile Scud launchers. Moreover, we do not believe Iraq has given up plans to develop larger, longer range missiles with which it could blackmail or attack not only its neighbors, but potential targets in Europe, Asia, and North Africa.

As evidence, consider that, in November 1995, Jordanian authorities intercepted a shipment of sophisticated, Russian-produced missile guidance instruments bound for Iraq. This shipment included enough instruments for at least 60 long-range missile guidance packages. Iraq later admitted, after pointed UNSCOM questioning, that another shipment of the same instruments had reached Iraq earlier in the year.

Lest there be doubt about its intentions, Iraq continues to devote money and manpower to rebuilding its infrastructure under its weapons of mass destruction and conventional weapons programs. The Al Kindi missile research and development facility, for example, supported many Iraqi weapons programs before the war. It is displayed there. The facility was damaged heavily during Operation Desert Storm but has been largely rebuilt and even expanded since then. The facility has been under U.N. supervision, but if

U.N. inspectors were forced to leave, it could easily be converted to support prohibited weapons programs.

The Habbaniyah II facility produced chemical warfare agent precursor chemicals before Desert Storm. The Iraqis have rebuilt the main production building and chlorine plant and have added a phenol production line as well as a ferric chloride line. These production lines contain dual-use equipment that, in the absence of UNSCOM, could easily be converted to chemical warfare agent or precursor chemical production.

We also agree with Chairman Ekeus that Iraq has not provided adequate proof that it has destroyed all of its chemical and biological warfare agents. Recall that last year Iraq finally admitted that it had produced enough such agents to kill every man, woman, and child on earth. Furthermore, it admitted loading these agents into Scud missile warheads that it now claims, without evidence, that it has destroyed.

We also remain gravely concerned about what we consider to be a continued Iraqi desire to possess nuclear weapons. Currently, this desire is being thwarted by regular inspections and monitoring by UNSCOM and the IAEA. We believe, however, that Iraq would seize any opportunity to buy nuclear materials or a complete nuclear weapon on the underground market. Iraq also retains the expertise to build nuclear weapons.

Accordingly, it continues to be a very high priority of the United States, supported by members of the Security Council, to prevent Iraq from buying, stealing or producing the materials needed to fulfill its potential as a nuclear power.

Turning now to the issue of terrorism. Put simply, Iraq continues to use terrorism to accomplish domestic and foreign policy goals. For example, the Iraqi intelligence service conceived, planned, and executed the abortive attempt to assassinate former President Bush in 1993. In addition, over the last several years, Iraqi operatives, sometimes with the help of Iraqi diplomatic personnel, have gunned down or poisoned dissidents in Northern Iraq, Jordan, and Lebanon. All this is in direct violation of U.N. Security Council Resolution 687 and, obviously, general international law.

The Security Council has also required that the Iraqi Government cease repressing its own citizens. As recent events illustrate, the record here, if anything, is even worse than it is with respect to support for terrorism. The well-publicized murder of the returned defector, Hussein Kamil, and many of his relatives was not simply an al-Majid family matter, as Iraq's government-controlled press would have the world believe. In fact, the shoot-out was directed by Saddam Hussein's son, Udayy, and former Defense Minister Ali Hasan al-Majid.

It should be remembered that Hussein Kamil returned to Baghdad because he had been promised that he would be treated like "an ordinary Iraqi citizen". Unfortunately for him, that was true. His fate was all too typical of Iraqis who dare cross Saddam Hussein.

These killings were yet another demonstration of Saddam's indifference to the taking of human life, the emptiness of his promises, and the contempt he feels for any conception of honor or law. His

behavior is that of a dime-store bully, not a responsible national leader.

These traits have been on display more broadly in the Iraqi Government's record of harsh repression toward its own population in violation of Security Council Resolution 688.

In the north, Baghdad's persistent record of repression continues in the form of a total embargo of food and a partial embargo of electricity against Kurdish-dominated provinces. And in the south, government attacks against Shi'a communities have been accompanied over the past 2 years by the draining of the southern marshes. As this photograph shows, the drying of the marshes has produced catastrophic results for local species and for the marsh Arabs, whose unique and ancient culture now verges on extinction.

Throughout this region, Iraqi security forces have suppressed Shi'a religious activity, detained or killed prominent religious leaders, and destroyed hamlets suspected of harboring or sympathizing with anti-Saddam insurgents.

In Resolution 686 and 687, the Security Council also required that Iraq return to Kuwait the military equipment it stole during the invasion. Iraq's claim to have complied with this requirement is laughable.

The truth, Mr. Chairman and members of the committee, is that Baghdad continues to hold thousands of pieces of Kuwaiti military and civilian equipment, worth hundreds of millions of dollars, as the chart shows.

For example, Iraq claims that it has only four of the BMP–2 infantry fighting vehicles that it stole from Kuwait. We estimate it has more than 200. Prior to the invasion of Kuwait, Iraq only had single-carry, heavy-lift transporters in its inventory. They stole about 100 Kuwaiti transporters capable of carrying two APC's each. The Iraqis even used them to move pieces of equipment, including the stolen Kuwaiti BMP–2's that were used to threaten the emirate in October 1904.

We come next to the question of Saddam's sincerity in bemoaning the impact of sanctions upon his own people. The sad fact is that neither war nor sanctions nor diplomatic isolation have altered Saddam's priorities. He continues to devote considerable resources to rebuilding the Iraqi military and his own palaces.

[Map.]

As this map illustrates, Iraq has built 50 new palaces or luxury residences since the end of Desert Storm at a cost of $1.5 billion. There are 78 such palaces or residences in Iraq for use by Saddam, his family, or close supporters.

One example is the Mosul palace complex, which includes two areas—one with five palaces and two offices or apartment buildings; the other with three completed palaces—and a fourth under construction on a newly excavated, man-made lake. The estimated post-war cost of expanding this complex is between $170 and $230 million.

One of the largest and most elaborate palaces in Iraq is in the Lake Tharthar complex. Its estimated size of about 300,000 square feet is about 5 times the size of the White House and 1½ times the size of Versailles. Other buildings on the compound add about 150,000 square feet. The estimated cost is $180 to $240 million.

An additional $230 to $310 million has been spent since the end of the war adding new wings with elaborate archways to the Baghdad Republican Palace, a building which serves as the official palace and symbol of the regime.

In addition to diverting scarce resources away from needed purchases of humanitarian goods, Saddam and his family capitalize on their official positions in Iraq for personal profit, often at the expense of their own citizens.

In closing, Mr. Chairman, I would like to stress several points. First, U.N. sanctions against Saddam Hussein have accomplished much. Iraq's capacity to threaten its neighbors has been reduced, its weapons of mass destruction programs dismantled, and the border with Kuwait has been recognized.

The effectiveness of these sanctions is directly attributable to their multilateral nature. Here, the value of the United Nations to American interests is clear, and the importance of continued U.S. leadership at the United Nations should be obvious. This is a major reason why the Administration has proposed a plan to repay our U.N. arrears, to be accompanied by continued progress on U.N. reform. I want to stress here that our continued ability to lead at the United Nations on Iraq and other issues cannot and should not be taken for granted.

The United Nations must reform, and we must pay our bills. The Administration looks forward to continued discussion with Congress on how to achieve both goals.

Second, the Iraq sanctions issue is an example of when it is in American interests to share appropriate, but sensitive, information with U.N. members and agencies. As prior Administrations have recognized, a well-regulated and closely monitored policy toward the sharing of sensitive information will serve our interests far more than the virtual prohibition on such sharing that some have proposed.

Finally, the success of our policy toward Iraq is greatly enhanced by the multilateral cooperation we receive. We have worked very hard with our allies to contain the threat that Iraq continues to pose. Jordan and Turkey, traditionally Iraq's most important trading partners, have suffered significant economic damage as a result of their enforcement of sanctions.

The Turkish Government hosts Operation Provide Comfort, which protects the Kurds in the north and helps enforce the no-fly zone. American aircraft will shortly be enforcing the southern no-fly zone from air bases in Jordan.

The countries of the Gulf Cooperation Council have provided badly needed funding for U.N. operations in Iraq, host coalition aircraft enforcing the southern no-fly zone, and cooperate with multinational naval forces to deter the smuggling of oil through the Gulf.

In summary, Mr. Chairman, America's position on Iraq sanctions has been consistent, principled, and grounded in a realistic and hard-won understanding of the nature of the Iraqi regime. Our policy will not change. When Iraq does what the U.N. Security Council has required, we will take appropriate steps.

But, as President Clinton has stated: Iraq is still a threat to regional peace and security. We will oppose any relaxation of sanc-

tions until Iraq demonstrates its overall compliance with the relevant resolutions. Iraq should adopt democratic processes, respect human rights, treat its people equitably, and adhere to basic norms of international behavior.

Once again, let me express the Administration's appreciation for the strong bipartisan support we have had from Congress with respect to our policy toward Iraq. This has been, and will remain, an essential ingredient of that policy's success.

Thank you very much for the opportunity to be here today, and I look forward to your questions.

[The prepared statement of Ambassador Albright appears in the appendix.]

Chairman GILMAN. Well, thank you very much, Madam Ambassador, for your concise and very eloquent remarks outlining our policy with regard to Iraq. We commend you for your continued efforts in stressing our nation's policy before the U.N. Security Council, and we are pleased that you were able to escape from your latest trip without any harm, despite the stoning, but our hearts were with you.

Madam Ambassador, a few questions. What are the criteria under which we would permit Iraq to engage in any temporary oil under Resolution 986, and what about a total lifting of the U.N. ban on Iraqi exports? Would we consider that at some later date?

Is the Administration linking such a step with the collapse of Saddam's regime, and what is our understanding of paragraph 22 of Resolution 687, which states that once UNSCOM has declared its work in Iraq complete, the embargo on Iraqi exports shall have no further force and effect? I would welcome your comments with regard to that.

Ms. ALBRIGHT. Yes, Mr. Chairman. First of all, the criteria for the food for oil is contained in Resolution 986. And let me explain briefly what the whole approach here is. First of all, as I stated in my statement, we seem to be more interested in providing humanitarian assistance or the possibility for humanitarian assistance to the people of Iraq than does Saddam Hussein. And Resolution 986 is drafted in a way that Iraq should be able to sell oil in order to be able to purchase additional humanitarian assistance.

Parenthetically, let me say that all along we have allowed medical and food goods into Iraq. This has never been something that we have limited, and what we are allowing here is for Iraq to have resources in order to purchase more. What we do not want to have happen is that the distribution of that food be inequitable and that it only be given to those who are supporters of Saddam Hussein. And, therefore, within Resolution 986, as it is now being negotiated with the Iraqis by the United Nations, the point is to make sure that it gets to the right people in the north, particularly.

Second, we want to make sure that the oil that is actually sold and exported is the right amount and that there is no cheating on that. And, therefore, Resolution 986 also requires two ports to be used so that they can be monitored.

So, briefly, it is a matter of allowing this to go forward but under a system which will not allow cheating on either end, that it goes to the right people and that not more oil is sold than is permitted within the resolution.

More generally, the goal of the whole package of sanctions is to make sure that the weapons of mass destruction are not available and are destroyed, that there is a respect for the Kuwaiti border, that there is an accounting of the Kuwaiti missing, that Kuwaiti property is restored, that the people in the north and the south are treated properly and that there is no export of terrorism. That that whole package has to be considered together, and that unless there is compliance on all those standards, the embargo will not be lifted.

That is also our interpretation of paragraph 22 because we are looking at the preamble of that resolution which talks about peaceful intentions, and it is our sense that unless Saddam Hussein's regime can meet all those resolutions, there is no visible example of peaceful intentions. It is a credibility issue. Therefore, we are opposed to lifting the embargo until all the sanctions resolutions are lived up to. Thank you.

Chairman GILMAN. Thank you, Madam Ambassador. Do you think that France and Russia would be likely to press for a lifting of the Iraqi export ban at any early date?

Ms. ALBRIGHT. Mr. Chairman, they have, in fact, in the past been among those who have thought that paragraph 22, for instance, speaks for itself, and that once they have abided by the provision on weapons of mass destruction, that the oil embargo should be lifted. However, they have got a pretty tough case because Iraq somehow manages whenever we are going through a sanctions review, either to move their forces and prepare to invade or shoot somebody who has defected or generally misbehave so that even those who interpret the resolutions differently than we do have a pretty tough case.

Chairman GILMAN. Madam Ambassador, are there some countries who are skirting the embargo with Iraq, and can you list those for us, if they are; and what are they doing?

Ms. ALBRIGHT. We do not think that there are countries that skirt the embargo. Jordan, for instance, has for a long time been very dependent on trade with Iraq, but it is all very minimal; and, as a matter of fact, in the most recent period even Jordan has become quite disenchanted with Saddam Hussein. So we do not see any major infractions.

Chairman GILMAN. We note in a recent wire story that a senior Jordanian energy official said that Iraqi crude oil is a possible source of supply for an export-oriented oil refinery that they are planning to build. Do we have any more information on that?

Ms. ALBRIGHT. I do not, but we can get you whatever.

Chairman GILMAN. We would welcome that.

Mr. Hamilton.

Mr. HAMILTON. Thank you very much, Mr. Chairman. Madam Ambassador, we are very pleased to have you here. We believe that Iraq is still hiding information from UNSCOM, do we, on their weapons?

Ms. ALBRIGHT. We do, Mr. Hamilton. Part of the issue here is that Mr. Ekeus does an incredible job in terms of searching out information, and part of the problem is the credibility of Iraq because what happens is that he will go to them—and this was on the issue of weapons of mass destruction—and say, "Can you please sign a memo that says that you have turned over all the documents?" and

they say, "Yes, we will sign the memo." And then he had said on one occasion, "But what about these four boxes that I know about?" So then his interlocutor would say, "Oh, yes, I forgot about those, and let me sign another memo." And he has, in fact, compared to the talks of the Arabian Nights a new story every day.

And so we do not feel confident enough at this point that they have turned over everything that they need to, which is why we are so supportive of UNSCOM.

Mr. HAMILTON. Is it our impression that Iraq has ongoing weapons programs—chemical, biological, and nuclear—that they are just proceeding on all three fronts?

Ms. ALBRIGHT. Mr. Ekeus talked about the biological program. He is concerned also on the nuclear given what some of the imports have been. We are not satisfied that we have all the answers.

Mr. HAMILTON. Now, U.N. Security Council 778 requires the proceeds from the sale of seized Iraqi oil to be put into an escrow account. And I understand some countries have seized oil in the Gulf—Kuwait, the UAE, and Saudi Arabia—but they have not transferred the proceeds of the sale to the U.N. escrow account. Is my understanding correct, and if it is correct, why have they not done it?

Ms. ALBRIGHT. Mr. Hamilton, we received a letter from you on this subject. I can say it is in the mail, but——

Mr. HAMILTON. I have it.

Ms. ALBRIGHT. You have it?

Mr. HAMILTON. I received it this morning.

Ms. ALBRIGHT. And I think that basically we do think that there has been some selling. We have requested the Saudi Government to reopen its accounting of the sale. We want to make sure that the money gets into the right place. So we appreciate your question, and we will pursue it.

Mr. HAMILTON. Well, my information is that the Saudis received some $350 million from the sale and they have transferred only $40 million. And it is not just the Saudis, but other countries as well. And, of course, if these countries do not do it, other countries will not feel compelled to do it either. So I think it is an important matter. I am glad you are alert to it. We are going to be following that pretty closely, and I hope you will be pressing these countries very hard to see why they are not turning those proceeds over to the escrow account.

Ms. ALBRIGHT. I can assure you we will, Mr. Hamilton.

Mr. HAMILTON. One of the things that impresses me about Iraq policy is how important the United Nations is to carrying out that policy. You do not need to comment on this if you do not want to, but the resolutions which form the basis of our policy are U.N. resolutions. The whole enforcement effort, which you have already commented on, is a U.N. effort. The UNSCOM effort to destroy weapons is obviously United Nations, and the force along the Iraqi-Kuwait border there is United Nations.

I know it is popular these days to deride the United Nations for a lot of different things—and we all have our criticisms of the United Nations—but it is remarkable the extent to which the United Nations is involved in helping us in carrying out an effective policy with respect to Iraq.

Ms. ALBRIGHT. Well, I definitely agree with you. Not only that, Congressman Hamilton, but also, if you think about the way that the Gulf War itself was carried out, under authorization of this coalition that was put together, and also that we have now the tightest sanctions regime in the history of modern diplomacy.

Mr. HAMILTON. And you've been able to bring that out, to do that because of cooperation within the U.N. framework.

Ms. ALBRIGHT. No question. The whole U.N. framework, not only what you've mentioned also, but the IAEA in terms of the nuclear programs, and generally the fact that we were able to bring to bear the force of the international community. And as we know, multilateral sanctions are also much tighter, and every time something goes wrong or there are questions, we can put it right back into the U.N. setting.

Mr. HAMILTON. You stated that our policy is tied to Saddam Hussein's compliance with all of the resolutions. Is it the U.S. policy to maintain sanctions against Iraq so long as Saddam Hussein is in power?

Ms. ALBRIGHT. Well, our policy is that we want all resolutions to be lived up to. We think that if Saddam Hussein were actually to live up to all the resolutions he could not stay in power.

Mr. HAMILTON. We have no evidence that Saddam Hussein is going to live up to these resolutions, do we?

Ms. ALBRIGHT. We do not. I mean, on the contrary, what our problem is, is credibility. He lies. It is as simple as that.

Mr. HAMILTON. Are we prepared to reevaluate this U.S. policy on sanctions if you have a change in government in Iraq, that is, if Saddam Hussein goes?

Ms. ALBRIGHT. If there is a government there that is popularly elected and pluralist. I would be surprised if a popularly elected government continued to suppress the people in the north and the south, if it continued to export terrorism, and if it did not want to have better relationships with its neighbors.

Mr. HAMILTON. We'd probably be pretty surprised if the government that followed Saddam Hussein was popularly elected, don't you think?

Ms. ALBRIGHT. Well, if it were not, then that government would be subject to exactly the same criteria.

Mr. HAMILTON. Our policy would still be to insist upon compliance with all the sanctions.

Ms. ALBRIGHT. Absolutely, yes.

Mr. HAMILTON. All right. Mr. Chairman, other members have a lot of questions, and my time is up. I appreciate your letting me ask these questions—and I know we have a vote. Thank you.

Chairman GILMAN. Thank you, Mr. Hamilton. Mr. Smith.

Mr. SMITH. Thank you very much, Mr. Chairman. And, Ambassador Albright, thank you for your fine testimony and your good work at the United Nations on behalf of the United States.

Ms. ALBRIGHT. Thank you.

Mr. SMITH. I have a couple of questions and some I would like to submit, but two basic areas of inquiry. Last week my subcommittee held a hearing on rogue regimes, and it was an ongoing effort. Mr. Lantos chaired the committee—he held similar hearings in which I participated—and its focus was on what these terrorist

countries are doing to try to influence U.S. policy, foreign policy, and what they are trying to do to influence elections.

A major part of that inquiry turned out to be an examination of Louis Farrakhan's friendship tour, his 27-day trip around the world which took him to some of the most despotic governments the world has ever known, such as in the Sudan, where he embraced the Khartoum Government, despite the fact—and we have had hearings on this on my subcommittee—that shadow slavery continues in southern Sudan where it is imposed by the north, by the government.

He also visited, as you know, with Gadhafi, Rafsanjani, and others in an ongoing attempt to make common bond with these terrorists. As a matter of fact, some of his statements are absolutely appalling, as I think you probably saw in Iraq. He said, "We visited the children's hospital and if I were made of stone, seeing what I saw today would bring tears to my eyes." Sanctions, according to Farrakhan, are a crime against humanity. And then, in a meeting with Gadhafi, he pointed out and this was reported by the Libyan News Agency—that apparently a billion-dollar contribution has been at least promised to the Nation of Islam by Gadhafi. As a matter of fact, the way he put it was, "Our confrontation with America was like a fight against a fortress from the outside." Now, he says, through his pact with Farrakhan, he has a "breach to enter into this fortress and to confront it".

There is a great deal of concern on the part of Members of Congress on both sides of the aisle that this cavorting, to use a State Department term—and we are very glad that some in the State Department saw fit to speak out against this—is absolutely against and the antithesis of any interest that the United States has vis a vis these countries.

As a matter of fact, Mr. Lantos introduced H. Res. 364, which is co-sponsored by Mr. Gilman, by Mr. Bereuter, Mr. Berman, Mr. Gejdenson, myself, and Bob Torricelli, and others, condemning that trip and many of the statements made. Then, in the operative clauses, it asks and calls upon the President to direct appropriate Federal Government agencies to determine if any U.S. laws were violated by Mr. Farrakhan's visits or by his actions, and to prosecute vigorously any such violations.

There are many of us who are concerned that this may be very much of a back-burner issue at the White House, and our concern is that prosecution will not be vigorous and complete. And I was wondering, first, if you support this resolution, H. Res. 374—it will be coming up in the not-too-distant future on the floor of the House—and, second, what is your general take of that trip? And, in addition, I would like to ask—again, time is very short—your view on a number of issues dealing with—Mr. Chairman, are we going to be coming back? Is the Secretary—the Ambassador going to——

Chairman GILMAN. Yes. I think the Ambassador has to go by 12:30 p.m. Is that right? We do have a notice that there is a vote followed by a 5-minute vote. If you are able to stay a little bit, I know our members will want to come back.

Ms. ALBRIGHT. Sure.

Chairman GILMAN. Thank you.

Mr. SMITH. My second question is—and, again, if this could be read into the record because we will be going back and forth—how will the vastly different U.S. and Turkish interests in Northern Iraq be reconciled in any new Provide Comfort framework without leaving the Kurds vulnerable to continued suffering? In addition, have the U.S. Government and the United Nations objected to Turkey's obstruction of mine-detecting instruments? As you know, the Mines Advisory Group has been blocked so far in its efforts to have the access it needs to really do its good work, namely, to clearing out the five to six million uncharted mines in Northern Iraq.

Ms. ALBRIGHT. Thank you, Mr. Smith. Why don't I answer the first one, and then get back to you on the second? First of all, let me say I am very pleased that you all are looking at the rogue regimes because it is a subject that we are considering a lot within the Administration and on which the United Nations really plays quite a vital role, whether they are North Korea or Sudan or Libya or whatever.

Let me say that Mr. Farrakhan's recent hobnobbing or cavorting with some of the world's most vicious dictators is clearly distasteful, and it is something that the Administration has spoken about. I have had it in certain speeches of mine, and so I agree with you. Let me just say that U.S. passports are not valid for travel to Iraq without State Department waiver. There are other statutes regarding economic sanctions that are within the purview of the Department of Treasury. The Privacy Act prevents me from discussing the details of the Farrakhan situation, and very specific questions that you might have should be directed to the Departments of Treasury and Justice.

In terms of your legislation, I have not seen it, but we will look at it. Let me just say that what he has done, as we have said, seems to be distasteful, to say the least. And, as I said, I personally have included some condemnation of his acts in a speech I made.

On the whole issue of Provide Comfort and the Kurds, I think that, as a matter of fact, the Turkish legislature is, as we speak, voting on the extension of Provide Comfort. And let me also say we are concerned generally about human rights and the situation in Northern Iraq.

I will have to get you more specific information on the demining aspects of it, but let me assure you just generally of our concern about the situation of the Kurds. This has a lot to do with why we are going to keep being so tough on the sanctions regime as a whole and why we are concerned about Resolution 986. We want to make sure that the distribution of foodstuffs and medicines is equitable within Northern Iraq and that there is U.N. supervision of the distribution and that it is not be left up to Saddam Hussein to decide. But I will get more specific answers for you on the mines.

Mr. SMITH. I appreciate that. Madam Ambassador, do you have an opinion on the potential sale of Super Cobras to Turkey? As you know, in the past Cobras have been implicated in the atrocities that were committed against the Kurds. I asked Assistant Secretary John Shattuck about that at a hearing on the country reports the other day, and he begged off and suggested that he might get back to us at a later date. But many of us are concerned, again,

that the military weaponry we provide to the Turks might be used in such a despicable way.

As a matter of fact, Amnesty International and Human Rights Watch have picketed that proposal and have called for its halt because of the misuse of weapons in the past, and the continued oppression of the Kurds.

Ms. ALBRIGHT. The issue here is a very delicate one. I would like to get back to you on it. We are, obviously, concerned about a variety of activities; but I would, in fact, like to get back to you.

Mr. SMITH. I would appreciate that.

Ms. ALBRIGHT. Thank you.

Mr. SMITH. Thank you very much.

Mr. ROTH. [Presiding] Madam Ambassador——

Ms. ALBRIGHT. Mr. Roth.

Mr. ROTH [continuing]. I want to apologize. We have a number of votes up. That's why all the members are over voting at this time. I want you to know that we really appreciate the job you're doing at the United Nations You are doing a super job.

Ms. ALBRIGHT. Thank you.

Mr. ROTH. You are terrific, and you are performing a real service to your country, and I want to recognize that.

Ms. ALBRIGHT. I appreciate that very much, Mr. Roth, my favorite public delegate, my congressional delegate here. So I am very pleased. Thank you.

Mr. ROTH. Thank you. I had a chance to look at your testimony and listen to part of it. Tomorrow morning, at 10 a.m., we are going to be marking up our EAA, our Export Administration Act, which is the first time in 17 years that we are making some real major revision. So it is going to be a very important meeting tomorrow morning.

At the Security Council yesterday, they approved a plan, I was told, on U.N. weapon inspections to monitor dual-use exports to Iraq, once Iraq is again allowed to purchase dual-use items. How will this system contribute to the U.N. efforts to ensure that Iraq does not rebuild its weapons capabilities? Once these sanctions are lifted somewhat and the U.N. monitors are in place, do you feel that's going to be sufficient to make sure that we protect against the dual-use problem that we have had in the past? What is your opinion?

Ms. ALBRIGHT. This is a very interesting—and actually very complex issue—that we have been working on a long time in the Security Council. The issue is one where we want to make sure that even now, but especially if the sanctions are ever lifted, that the dual-use problem is dealt with very carefully. As you know, the Security Council has subgroups that are sanctions committees that are members of the Security Council with experts on it, so a great deal of work went into trying to make sure that the process really worked properly. It is my belief that it will.

We did not have a totally easy time getting this through because it, in fact, is something that is going to make sure that the dual-use technology is monitored. It is something that UNSCOM and IAEA asked for, and I think we did well to get something that is forward looking like this.

What I would like to do is, especially since you are going to be working on it more, is get you some of the background material that the sanction committee was considering and also provide you the statement that we made yesterday at the time of the vote that explains our satisfaction with the process and to make sure that there will not be a renewal of any kind of weapons threat in the region.

I think the major issue here, Congressman Roth, is that we want to make sure that Iraq is not a threat to the region, and various mechanisms, including this one, are part of the present and future approach to it.

Mr. ROTH. Well, thank you very much. I appreciate your response and I think it will help us make some wise decisions here, especially as it relates to the Export Administration Act, because it is the first time in 17 years that we are addressing basic reforms.

The only other question I have is about something that was talked about here in the cloak room by some of the Congressmen. It is not very significant, I am sure, but the World Chess Championship is going to be in Baghdad. They were proposing having it in Baghdad on June 1, and I was just wondering, do we have a position on that at all?

Ms. ALBRIGHT. Well, we are kind of disgusted, basically. And this has a lot to do with what I was saying before, which is Saddam Hussein's priorities. There are a lot of crocodile tears shed for the people of Iraq, and it is not just the palaces that he is building but the idea that there would be such an international confab and that he is offering a very large prize is just a sign that he, frankly, does not care a hoot about his people and that he is just looking for international recognition. So we are opposed to that.

If I might just say, Congressman, we are committed to reauthorizing the Export Administration Act, and we want to work with you on that, in addition to providing what I said I would.

Mr. ROTH. Thank you. I really appreciate that. Again, it has been 17 years since we have rewritten that law. We have worked on it for many years. I am so delighted that tomorrow we are going to have a chance to complete the work that was started 17 years ago. And, again, I just wanted to compliment you on the great job you are doing. We are all very proud of you.

Ms. ALBRIGHT. Thank you very much, Congressman.

Mr. ROTH. Now, we are going to go to our second panel. We are going to have Dr. Marr, Dr. David Kay, Dr. Christine Helms, Alan Makovsky, and Rend Francke.

Ms. ALBRIGHT. If I might, Congressman, just say that I have appreciated not only your work at the United Nations, but here, and I am sorry to see that you are retiring. I hope you have a great next life.

Mr. ROTH. Well, thank you. It is very nice of you to say that. I appreciate those kind comments.

Ms. ALBRIGHT. Thank you.

Mr. ROTH. Thank you. We are going to call on our witnesses in the order that they are listed but let me first say that our second panel this morning consists of noted experts who have closely followed events in Iraq, and we are very much interested in their testimony. Again, I want to apologize to our panelists because we are

having a series of votes. The members will be back as soon as the votes are completed.

We have asked the panelists to discuss the issues of the greatest interest to the United States, including political stability in Iraq, U.S.-U.N. efforts to dismantle Iraq weapons of mass destruction, U.N-Iraq talks on temporary sale of oil to generate money for humanitarian aid, the Kurds and human rights in general, and the Turkish policy toward Iraq—in other words, we have asked them to give us an overview of the policy in this particular area.

Our witnesses on the panel are Dr. Marr, a senior fellow at the Institute of National Strategic Studies of the National Defense University—we are honored to have Dr. Marr with us; and Dr. David Kay, senior vice president of Hicks and Associates, a subsidiary of Science Applications, an international corporation and a leader in weapons inspections in Iraq. And so I think the last question we had for the Ambassador would be one that we would like Mr. Kay to address also. And Dr. Christine Helms is with us, director of country analysis at the Petroleum Finance Company. And then we have Dr. Alan Makovsky, a senior fellow at Washington Institute for Near East Policy. Good to have you with us. And then we have Ms. Rend Francke, director of the Iraq Foundation.

So I ask our witnesses to summarize their statements in 5 minutes. We will put their entire testimony into the record. Now we will proceed with Dr. Marr.

STATEMENT OF DR. PHEBE MARR, SENIOR FELLOW, INSTITUTE FOR NATIONAL STRATEGIC STUDIES, NATIONAL DEFENSE UNIVERSITY

Dr. MARR. Yes. Thank you very much, Mr. Chairman, for this opportunity to testify. I would like to start by saying that my testimony is based on my own opinion and does not represent that of the government.

It is nearly 6 years since the onset of the Gulf crisis and the imposition of the current sanctions regime. In the interim, we have learned a great deal about Saddam Hussein, the structure of Iraqi leadership, its behavior, and its modus operandi. We have also learned that as long as Saddam is at the helm, these are unlikely to change much, if at all.

Realistic data on the economic, social and political conditions in Iraq are difficult to obtain, but based on the best sources available, we can say that while Iraq's society, economy, and military are all in gradual decline, they are not near a point of collapse. The country's political "center" is still in control of the country, except for the Kurdish north, and Saddam is still in control of the center. These controls are weakening, but the process is slow.

The political cohesion of the regime is still intact, but it has been damaged by splits in Saddam's family and the dramatic defection of his sons-in-law. The core family group which governs Iraq and controls the security system has been significantly fractured by these events, and Saddam's power base has been narrowed. In effect, this leaves only his sons, Udayy (an unreliable factor), and Qusayy, and more distant relatives on whom he can rely.

Saddam is already turning to other elements in the political spectrum to bolster his position, mainly military and Ba'th party

figures. And, of course, he is attempting to legitimate his rule by cosmetic elections. These steps will probably buy him some time and the reluctant acquiescence of his middle class, who in any case do not appear to have the means to unseat him.

The key question in assessing Iraq's stability is whether he, over time, will be able to rely on key leaders in the security system now that family members in these institutions have been thinned out.

The overwhelming majority of the Iraqi population would undoubtedly welcome a change of regime, but the means to accomplish this are not readily available and the costs are likely to be high. Despite manifestations of coup-plotting inside the military and a small tribal rebellion, thus far, Saddam's security system has proven effective and impenetrable.

Opposition groups outside the country are numerous, but they are still rather fractious and disunited. One of the main problems for them is that their constituency inside the country appears to be minimal. In any event, Saddam is not likely to be overthrown from outside.

As a result, while one cannot rule out dramatic events in Iraq which could unseat the regime, the most likely outcome of the current situation is a continuation in power of Saddam Hussein, at least for the foreseeable future.

In my paper I've gone into some detail on the impact of sanctions on Iraq's economy and the society. Suffice it to say that, despite the hardships of the Iraqi people and the erosion of its economy, Iraq has shown remarkable resilience. Iraqis have managed to repair much of the infrastructure after the war although industrial production has probably been cut in half. However, if sanctions were lifted, it is my estimate that in a relatively short period of time, perhaps 5 to 7 years, Iraq could probably get back to something close to its pre-war production.

Health conditions are bad and taking a toll on vulnerable portions of the population, but, frankly, we cannot gauge just how bad this situation is.

Iraq's future direction in domestic politics, if Saddam remains, is likely to be the same as it has been in the past. The chief aim of his policy, of course, is his own political survival; the survival which has been equated with Iraq as a nation. His policies will be based on maintaining Iraq's unity, restoring Iraq's sovereignty, including the removal of no-fly zones in the north and south of the country, and rebuilding his domestic economy by maximizing oil revenues with little concern for the effects on oil prices or on his OPEC partners. He will also be interested in creating a modern, secular, powerful Iraq.

This will include, as a cornerstone, a strong military, and, if possible, acquisition in the future of weapons of mass destruction. Iraq will also expect to play a larger regional role as a bulwark against Iran, as a determining factor in oil pricing in the Gulf, and as a leader in the Arab world.

However, it will be a long time before Saddam can reach such a goal. Indeed, it is highly unlikely he will ever reach it, given the distrust of his neighbors and the international community. Although I would not rule out a challenge by Saddam at some point in the future, if he remains in power, he is more likely to follow

a relatively pragmatic policy toward most of his neighbors, with the possible exception of Kuwait and Saudi Arabia, against whom both he and his population harbor revanchist sentiments.

Saddam has attempted to improve relations with Iran. Iran and Iraq share a mutual desire to reduce our presence in the Gulf, but, frankly, this attempt has not been very successful. The Iran-Iraq War has left deep bitterness and distrust on both sides, a factor that will hamper cooperation in the future.

Iraq's relations with Syria have been strained, and Syria now harbors Ba'th factions opposed to the regime and ready to support a change. However, the more important center for opposition to Iraq has now shifted to Jordan, where King Hussein has clearly come to the conclusion that a change of regime in Iraq is necessary. To this end, the king has undertaken a number of steps to distance himself from Iraq. However, the king must be careful because not all of his population agrees with these steps and because Jordan's economy is so deeply integrated with that of Iraq.

Turkey, facing domestic and political problems of its own, has mixed feelings about Provide Comfort and would probably like to see a restoration of the status quo before the war in northern Iraq. However, it does not want a restoration of the refugee problem.

Meanwhile, the political situation in the Kurdish-controlled areas of Iraq has deteriorated in recent years, creating a political vacuum in the north. Feuding between the two major parties led to serious fighting in 1994 and 1995 and a virtual partition of the north. While the cease-fire is holding, a working alliance between the two parties in a unified government, in my opinion, is not likely. This vacuum has allowed the intrusion of elements inimical to U.S. interests into this territory.

While Kurdish lives must be protected, some solution must be found to close this political vacuum in the north, pending reintegration of the Kurdish population back into Iraq. The longer the current situation remains, the more difficult this reintegration will be.

In conclusion, I would like to say a final word about the prospects for a change of regime in Iraq. While highly desirable, this is likely to prove difficult and costly and it can only take place at the hands of all Iraqis inside Iraq. Such a change cannot be ruled out, but neither can it be counted on. However, the United States should be prepared to respond appropriately should such a change occur in the future.

The prospects for a replacement will grow gradually if sanctions remain. The reverse will be true if sanctions are eased, but so will the potential for social and political collapse in Iraq. The Iraqi body politic is already under strain from war, rebellion, and economic deprivation, as well as the policies of the regime. Both Kurds and Shi'a are increasingly alienated from the central government. Meanwhile, the appointment of Saddam's relatives and clan leaders to important military and security posts has weakened the cohesion of national institutions.

A continuation of the current situation over a considerable period of time will further erode Iraq's unity as a state. To encourage a change of regime while avoiding Iraq's collapse will take more than just sanctions and the continuation of current U.S. policy.

It should be recognized that there are no easy or cheap solutions to the Iraqi problem, and the ability of outside powers, such as the United States, to influence the outcome, while not nonexistent, is modest. Whatever goals the United States expects from sanctions, unless we are prepared to do more, perhaps considerably more, the current unfortunate situation is likely to persist in Baghdad for the foreseeable future. Thank you, Mr. Chairman.

[The prepared statement of Dr. Marr appears in the appendix.]

Mr. ROTH. Thank you, Dr. Marr. Next, we will go to Dr. Kay. I was just wondering, in all fairness to the panelists, maybe we should call recess for a few minutes and give other members a chance to get back. We have got a series of votes, and I do not think it is fair to have panelists who have come all this way with important testimony not to be heard by the other members. So why don't we pause for about a 5-minute recess or a 10-minute recess, and give the other members a chance to get back?

[Recess.]

Mr. BEREUTER. [Presiding] The committee will resume its sitting.

Dr. Marr, I was not here at the conclusion of your remarks. Do you have anything else that you would like to say before we move to the next panelist?

Dr. MARR. No. Thank you very much.

Mr. BEREUTER. Thank you, Dr. Marr. The next witness is Dr. David Kay. Dr. Kay was chief inspector for the three U.N. inspection teams that visited Iraq after the Gulf War to determine Iraqi nuclear weapons production capability. One of the teams he led located the major Iraqi center for assembly of nuclear weapons on Iraq. We have asked Dr. Kay to assess the accomplishments of the U.N. inspection regime and what remains to be done to learn about Iraq's weapons of mass destruction capabilities.

Dr. Kay, your entire statement will be made a part of the record. I would appreciate it if you would summarize, and then we will ask all of the panel members to be available for questions at the conclusion of all of your remarks. Please proceed as you wish.

STATEMENT OF DR. DAVID KAY, SENIOR VICE PRESIDENT, HICKS & ASSOCIATES, INC.

Dr. KAY. Thank you, Mr. Chairman. I appreciate the opportunity to appear before you today. Let me very quickly summarize, because I am afraid we have largely forgotten how much has been found with regard to the Iraqi weapons program of mass destruction.

It is almost exactly 5 years ago from the time the first U.N. inspection team entered Iraq. In the nuclear area, we found a program that had almost 15,000 people involved, spent $10 billion over a decade, was within approximately a year at the most from obtaining its first nuclear device. This was a program that was immense in scope, comparable to our own Manhattan program. One indicator that I think we have all too often forgotten is that of the 25 major facilities we now know made up that program, only six were known at the time the Gulf War began. This fact should cause us all some pause.

The biological program was even more immense and has been much harder to pick apart. Iraq produced, by the time of the Gulf

War—in fact, in only a 5-year period before the Gulf War, which is really astounding—thousands of liters of some of the world's most deadly substances—anthrax, botulism toxin, aflatoxin, and a whole devil's cocktail of other agents. Not only were these produced; they were weaponized.

We now know, by the Iraqi's own admission, which probably means that there is more that we do not know, that over 191 warheads were actually filled with BW agent at the time of the war, including 25 warheads on long-range missiles capable of reaching Israel and any place in Saudi Arabia at the time of the Gulf War. Not only were these armed, they were deployed forwardly, and, in fact, there was a limited predelegation of authority to the military to launch them if Baghdad itself had been attacked by nuclear weapons.

We came far closer to seeing a major biological conflict than is even today generally appreciated and, unfortunately, much of this biological capacity and the capacity to produce these weapons remains today.

The chemical weapons program itself is also equally astounding in terms of its comprehensiveness and scope. Iraq produced all of the major known chemical warfare agents, mustard gas, a whole cocktail of nerve gases, sarin and VX. The VX program is complicated to produce—and up until 4 months ago Iraq's claim that they had never mastered this technique was generally accepted. We now know far from never mastering it, they, in fact, had reached commercial production, producing over 900 tons of VX, and had deployed it. They tested three warheads with chemical warfare agent on them, including one with sarin, the same agent used in the Tokyo subways.

Documentation in the hands of UNSCOM, which has come into its hands during the last 4 months, is really astounding with regard to all those programs, so let me just conclude with some evidence on the missile program, because we all think we know a fair amount about the missile program. The TV footage of the Patriot intercepts was dramatic.

What we now know that was not known as recently as just a few months ago is that the Iraqis did not rely solely on the 819 Scuds they had bought from the Soviet Union. Iraq itself produced, indigenously with its own production capacity, several scores of Scud missiles, and were working on a missile with a range of 3,000 kilometers. As recently as in the last 6 months Iraq managed to acquire from Russia, over 16 guidance cans for long-range missiles. This is a program that, in fact, has not ended.

If I were to sum up what I think we know and what remains about the Iraq program is that despite the excellent work of UNSCOM of destroying physical parts of that program, the real core of the Iraqi program in nuclear, chemical, and biological missiles remains. The core of a scientific program, a technological program, is not the hardware. You can go out as soon as sanctions come off, or by busting sanctions even now, and reacquire hardware.

What is the key to the program is the scientific competence of the engineers, scientists, and technicians. Not only do they remain in Iraq; they, in fact, remain working in the same facilities that

they worked in before the war. Now, it is true that cover stories have changed. The biological program today is reported to UNSCOM to be a biological pesticide program. Unfortunately, in Iraq, the definition of a "pest" is defined by your relation to Saddam and not in terms of your relation to any plant or any member of the animal kingdom.

The nuclear program is said to be a peaceful nuclear program. Well, that is the same cover story, in fact, that it had before the war. So one has to be very, very careful about evaluating that program. By and large, the core elements of it continue in place, and that is even after 5 years of the most intensive inspection I can imagine—in fact, if I had been before this committee 6 years ago and you had asked me to lay out what I thought would be an ideal inspection regime and I had laid out all the rights that, in fact, UNSCOM has and that I exercised as an inspector in Iraq, I doubt that there are many members of this committee who would have thought that was at all practical.

And if after that I had told you that even with this authority, we would not be able to completely unmask the Iraqi program after 5 years, there would have probably been considerable skepticism among you.

But, in fact, that is the truth. We have had the greatest rights of inspection that any group of inspectors have ever had, and yet we all have to say today there are still things in Iraq we do not know about the program. And that's a testimony to the great efforts that the Saddam Hussein regime has made to protect the elements of the program, a program of deceit, deception, lying, as Ambassador Albright referred to it, to keep the inspectors away.

It is 5 years ago that I led a team at which the Iraqi Government fired shots over the head, then later spent 4 days in a parking lot, and yet, just this month, a team in Iraq on five separate occasions was denied entrance to buildings, and on one occasion kept outside the building for 18 hours while anything of value in the building, of course, was destroyed.

I think it was Congressman Roth who asked the question of Ambassador Albright about the issues of the monitoring regime and the confidence that one can have in it. Let me say that I think, in fact, the scheme that was established in Resolution 687, that is, that a group of inspectors under UNSCOM go into Iraq, destroy, remove, or render harmless the weapons of mass destruction; was an elegant answer to the problem of a war that ends with the major weapons of mass destruction still being in the hands of the opponent, except it rested two major assumptions, neither of which have been met.

The first assumption was that the Iraqi Government would declare all of these weapons and cooperate in their destruction. That has not taken place. And, second, that the government of Iraq would decide to live in peace with its neighbors, and that is an assumption that, in fact, has not been honored.

We are in a period in which we are going to have to face the real probability that under the cover of the monitoring program, Iraq will pursue a low-level program of continuing to develop its missiles, its chemical and biological, and even its nuclear facilities. If

sanctions were to ever come off, in fact, I think we could even have less confidence that that program would be discovered.

The evidence is that the preconditions for running an effective monitoring system in Iraq simply do not exist today. Now, this is not to say that the monitoring system is without value; it has considerable value. It forces Iraq to engage in deception, it makes it expensive, it does subject it to discovery, but I would point out that the major discovery of the last 6 months was the result of a defection of the Kamils from the Iraqi regime. I suspect the way they were treated when they returned means that there is a limited supply of knowledgeable, yet naively stupid, defectors who are likely to follow in their foot tracks out of Iraq and then back to Iraq.

So I conclude by saying that I am very pessimistic with regard to the future. It is a continuing policy problem, and neither the Gulf War nor the UNSCOM inspection efforts has removed it. We are going to have to face the issue, as are the neighbors of Saddam Hussein. It is a regime with tremendous technical capability, and all the evidence indicates a will to continue a program designed to produce weapons of mass destruction to be used on their enemies and those who would come to the assistance of other states in the region. Thank you very much.

[The prepared statement of Dr. Kay appears in the appendix.]

Mr. BEREUTER. Thank you very much, Dr. Kay. That's a very sobering presentation. It is important that the American people hear it. I think the two assumptions that you mentioned were improbable from the first, and you are quite right in saying that the core scientific program is not equipment, is not facilities; it is in people's minds, and that is something that is impossible to destroy or erase. It means we have to change the person who is motivated to use those weapons of mass destruction.

The next witness is Dr. Christine Helms. Dr. Helms has authored numerous publications on Iraq and the Persian Gulf region. She has been closely monitoring the talks in New York between the United Nations and Iraq on the temporary sale of Iraqi oil provided for in Resolution 986. We have asked Dr. Helms to give her assessment of those talks and their implications for the world oil market, as well as the prospects for political stability in Iraq.

Dr. Helms, your entire statement will be made a part of the record. You may proceed as you wish with your comments.

STATEMENT OF DR. CHRISTINE HELMS, DIRECTOR OF COUNTRY ANALYSIS, PETROLEUM FINANCE COMPANY, WASHINGTON, DC

Dr. HELMS. Thank you very much. Given time constraints, I have eliminated discussion here today about the calculus that has changed from the Iraq point of view about accepting the one-time oil sale. You will find that in the written record. And I have also eliminated what the issues are concerning the oil sale. You will again find a detailed discussion of that in my written presentation.

Let me begin instead with the implications of the sale for the global oil market. The amount of oil that Iraq will be allowed to export is contingent upon prevailing prices at the time. Assuming prices to be $20 a barrel, Iraq will be exporting some 600,000 to 700,000 barrels per day. Initially, the oil market will simply react

just to an announcement of the agreement. The impact will depend on the suddenness of the announcement and prevailing prices.

If prices have already fallen, anticipating the announcement, then the announcement may not cause further weakness. If there has been no price adjustment, prices could drop by two dollars a barrel or more. The uncertainty about the market could last from several days to several weeks. It depends on how quickly OPEC reacts. If OPEC, in fact, schedules a timely meeting, which is probable, prices could be pushed back up to at least half of the amount that they had lost.

If agreement was reached on cutbacks, prices could further recover, perhaps even to levels higher than where they originally started. This scenario would have the advantage of eliminating one of the most persistent bearish factors on the oil market in recent years—to the oil market that is the uncertainty surrounding Iraq's reentry.

It should be noted here that OPEC countries themselves are currently exceeding their combined quota of 24.5 million barrels a day by 1.2 to 1.5 million barrels daily. That is nearly twice as much as Iraq's initial projected oil sale. Therefore, stricter adherence to OPEC quotas need not necessitate quota cuts by its members.

Another element that will affect the oil market is when Iraq actually begins to ship oil. Estimates vary from 1 to 6 months. The wide divergence here is due to two factors. One is the complication of establishing a monitoring mechanism for the humanitarian purchases as well as for the oil sale itself. The initial memorandum of agreement will merely comprise the skeletal framework of key issues, yet there are many operational details to be ironed out.

With regard to oil, for example, there are the issues of the quality of the crude, the timing of crude oil deliveries, volumetric issues, licensing for crude purchases, and demurrage.

The second reason for uncertainty is the condition of Iraq's oil facilities and export outlets. Iraq currently estimates that its crude oil production capacity is 3 million barrels per day, but it is not at all clear that its export capacity is anywhere near that. In any case, it is unlikely that sustainable output capacity during the first 6 months of exports would be greater than 1.5 or 2 million barrels daily. Many of Iraq's fields have been shut in for over 5 years. Production wells, pumps, gathering centers, gas/oil separators, and pipelines are believed to be in a state of disrepair or have been untested during this period.

There may be also field reservoir problems. Iraq, for example, has had to inject surplus fuel oil, a byproduct of gasoline production, back into the fields. It is unknown what impact this has had on the quality of crude. It may have affected the API seriously.

In the south there is an extensive water-injection network to boost crude oil flows. Chemicals necessary to this process are currently banned under U.N. sanctions. As a consequence, the water-injection network has not been operating. Should the output be boosted on these fields without water injection, long-term damage to the reservoirs could be severe.

Finally, overcoming operational problems depends upon obtaining spare parts in a timely manner. With regard to export routes, there are only two being considered under U.N. Resolution 986.

One, of course, is the Mina al-Bakr offshore terminal, whose current operating capacity is believed to be 750,000 barrels daily. The other route is the Iraqi-Turkish pipeline. There are two lines here, one a larger line with a pre-war capacity of 1.1 million barrels daily and another of 500,000 barrels.

It is believed that the smaller line has been cannibalized since the Gulf War, parts of the pipeline being used on the Iraqi side to repair the larger line. Turkish authorities have now claimed that that line has the capacity to ship 750,000 barrels daily. In any case, before this oil hits the market, the line itself will have to be flushed of 27 million barrels of crude, which could take as long as a month or 40 days.

This being said, the condition of both lines is uncertain. The oil in the pipeline is a heavy-to-medium crude with a high sulfur content. The integrity of the pipeline itself may be at issue.

I would like now, briefly, to turn to what I consider as a worst-case scenario for Iraq, for the Middle East, as well as the United States and its allies. That scenario is that continuing sanctions could cause Iraq to fragment along religious, ethnic, and geographic lines, resulting in a central government which is unable to maintain the territorial integrity of Iraq. Evidence of this already exists.

Should it continue, given the pluralism of Iraq's 20 million people and its geographic size and diversity, it is implausible, I believe, that any outside power could be exerted that could, in effect, "socially engineer" a favorable outcome for any in the region or for the West.

Iraqi opposition groups, themselves fragmented and supported by competing outside powers, would also be powerless to prevent this. Instead, what is most likely to occur is that Iraq's neighbors would be drawn into the political void, opening the prospect of widespread hostilities. But both before and after this happens, there is likely to be greater instability and unpredictability in the region as a whole.

Sooner or later, I submit that Iraq, which has reserves second only to those of Saudi Arabia, will reenter the oil market. It is too big a player to remain sidelined. However, the fragmentation of Iraq would make it difficult, more expensive, and dangerous to exploit those reserves.

If the United States remains opposed to shipping oil through Iran, which is the most economically viable route, this will almost certainly complicate strategies now under debate for moving oil from Central Asia as well, which will become increasingly critical in the next decade.

In conclusion, what I am suggesting is that the so-called containment of Iraq may be contradictory to the long-term strategic interests of the Middle East, the United States, and its allies. Furthermore, I am suggesting that a limited oil sale may be one way of trying to salvage the territorial integrity of Iraq while at the same time testing the commitment of the current Iraqi regime to be reintegrated into its regional community.

Here, it may be briefly noted that there has been enormous cooperation between the Kurds in the north, particularly the group of Masoud Barzani and the central Iraqi Government in Baghdad, to protect these future oil shipments. It should also be noted that

even a limited oil sale would go hand-in-hand with the ongoing weapons monitoring program and with other import controls which have been decided upon this week.

Thank you for your time.

[The prepared statement of Dr. Helms appears in the appendix.]

Mr. BEREUTER. Thank you very much, Dr. Helms.

The fourth witness is Alan Makovsky. Before joining the Washington Institute for Near East Policy, he was a State Department advisor on the Middle East peace process and a political advisor to the Provide Comfort protection operations for the Kurds in Northern Iraq.

This morning he hosted President Suleyman Demirel of Turkey at the Washington Institute, and we hope he can share with us President Demirel's insights into the future of the Kurds in Iraq, for Turkish support for continuing Operation Provide Comfort, and on the current state of relations between the two main Iraqi-Kurdish factions, the Kurdish Democratic Party and the Patriotic Union of Kurdistan.

Mr. Makovsky, we look forward to your testimony. It will be made a part of the record in its entirety, and you may proceed as you wish.

STATEMENT OF ALAN O. MAKOVSKY, SENIOR FELLOW, WASHINGTON INSTITUTE FOR NEAR EAST POLICY

Mr. MAKOVSKY. Mr. Chairman, I have submitted a longer version for the record, and I will try to summarize my points here.

Mr. Chairman, thank you for the opportunity to testify on this important panel. If I could just say prefatorily, while I was a State Department official, I had the opportunity to work for Congressman Hamilton as a congressional fellow on this committee's former Subcommittee on Europe and the Middle East. That was a memorable and positive experience for me, and actually I see a lot of old friends and former colleagues here today, and I have to say that I am honored to have been invited back to this body, the full committee, to testify. Thank you.

I have been asked to offer some thoughts about Northern Iraq. That is a particularly timely subject for two reasons. The first is the imminent Turkish consideration of extending the mandate of Operation Provide Comfort. As I understand it, that vote will take place today. As recently as 90 minutes ago, it was still being debated in the Turkish Parliament, and I believe the vote was to take place today. From what I understand, the outlook is good that a limited extension of Operation Provide Comfort will be passed today by the Turkish Parliament.

Second, this is a timely subject because of the U.S. diplomatic mission that is slated early next month to go to Northern Iraq to try to promote reconciliation between feuding Iraqi-Kurdish factions.

I have four main points. First, I would call for continued congressional and executive branch support for Operation Provide Comfort, one of the great humanitarian success stories in history. Tens of thousands of Kurds have been saved from starvation by Operation Provide Comfort, and the presence of U.S., British, and French aircraft operating from a Turkish air base and patrolling the skies

above the 36th Parallel is a powerful deterrent to Iraqi forces which otherwise would assuredly try to reconquer the liberated areas of Northern Iraq.

I am convinced that foreign policy and security policy decision-makers in Turkey favor the continuation of OPC, both out of respect for the importance of U.S.-Turkish bilateral relations and because they calculate that, on balance, OPC serves intrinsic Turkish interests. For a variety of reasons, however, OPC—"OPC" is the acronym for Operation Provide Comfort—OPC has always been unpopular with the Turkish public.

In particular, many Turks feel that OPC sustains an environment in Northern Iraq that benefits the terrorists of the PKK, the long-time separatist group that has used Northern Iraq as one of its bases from which to attack Turkey. Other Turks feel, as Turkish President Suleyman Demirel said in a speech to my institute this morning, that OPC has encouraged "a tendency toward division of Iraq and independent Kurdish statehood", both of which are anathema to Turkey.

OPC began in spring of 1991, and the Turkish Parliament has renewed its mandate every 6 months since December 1991, that is, at least until recently. The most recent extension, voted this past December as Turkey prepared for elections, was for only 3 months, and the extension currently under consideration also is for only 3 months.

Whatever the outcome of today's vote, the renewal of OPC's mandate in the Turkish Parliament is becoming increasingly problematic, particularly in the newly elected Parliament, where the Islamist Refah Party, most of which is strongly opposed to Provide Comfort, constitutes a significant bloc of opposition votes, indeed, the largest party bloc in Parliament.

Even the upcoming vote was in doubt until recently. Bulent Ecevit, the leader of the left-wing party upon which the Yilmaz-Ciller minority government relies for passive support, has said that he will support the extension now under consideration only if assured that there will be no further efforts to extend it in its present form.

Given the importance of OPC's mission, it behooves both the U.S. and the Turkish Governments to continue trying to find some basis for conducting OPC that removes the ongoing uncertainty about its durability. This should be done, however, only without compromising the integrity of Provide Comfort's mission. Further, all friends and supporters of OPC should avail themselves of every opportunity to reassure the Turkish public about Provide Comfort by underscoring their support for Turkey's territorial integrity and their opposition to the PKK's terrorist methods and its brazen use of Northern Iraqi territory to attack Turkey.

Second, those of us who consider ourselves friends of the Iraqi-Kurds must continually impress upon them the need for reconciliation and urge them to be responsive to the upcoming U.S. diplomatic mission. If that mission does not succeed, the frightening trend toward Lebanonization of Northern Iraq, highlighted by the increasing prominence of the PKK and the little-noted spread of Iranian influence in that region will continue.

With little fanfare, Iran has been conducting its own mediation between the Iraqi-Kurdish parties in parallel to the U.S. effort. Iranian agencies, intelligence organizations, offices, and even small numbers of troops are reliably reported to be scattered throughout Northern Iraq.

In January, an Iranian official from the office of President Khamenei toured Northern Iraq, hosted by the Iraqi Kurdish parties and was treated to a staged "hero's welcome" in all the major cities of Northern Iraq.

The source of Iran's influence in Northern Iraq is traditional regional power politics, reinforced by the split between the Iraqi-Kurds. Because of the division of territory between the KDP and the PUK, the only outlet to the world for the PUK—that is for Jalal Talabani, the leader of the PUK, and other identifiable PUK members—is through Iran.

Iran also builds on its influence over the PUK by providing it with aid, economic as well as military and logistical. It has also supplied economic aid and, reportedly, arms to the KDP, playing one side off against the other. Iran's strategic goals are clear: to minimize U.S. influence in the region and to assure itself a role in the political construction of post-Saddam Iraq. The answer to Iranian influence-building in the region is a restoration of intra-Kurdish cooperation which would lessen Northern Iraq's dependence on Iran.

Third, Mr. Chairman, I believe it is well past the time to ease application of U.N. sanctions against the Kurdish areas in Northern Iraq and end the incongruous situation in which liberated areas of Iraq suffer under virtually the same economic restrictions as areas that remain under Saddam Hussein's tyrannical sway.

I am familiar with some of the arguments which have been made on behalf of this policy—such arguments as the fact that easing sanctions on the north could lead toward the territorial division of Iraq or seem to, but I think these arguments can be answered by an effective campaign of public diplomacy. In easing sanctions in the north, we must make the point that nobody wants to divide Iraq; we merely want to reward those who have liberated themselves from Saddam's rule, thereby sending a powerful message, an incentive to those who are still under his yoke.

The last point: The United States should undertake serious efforts for the establishment of a war crimes commission to investigate allegations of Iraqi war crimes, crimes against humanity, and genocide against the Iraqi-Kurdish population. I note that Secretary of State Christopher said in April 1993 that the United States would pursue this idea in the U.N. Security Council. It is unclear, to me, at least, what became of this initiative, but it should be pursued vigorously.

A possible first step toward punishing the perpetrators, such a commission would also serve as a warning to future would-be tyrants. Most important, it would give the Iraqi-Kurds their minimum due, belated recognition of the atrocities they suffered while the world stood by in near-total silence.

Thank you, Mr. Chairman.

[The prepared statement of Mr. Makovsky appears in the appendix.]

Mr. BEREUTER. Thank you very much.

Our fifth witness today is Rend Rahim Francke, a founding member and executive director of the Iraq Foundation, a nonprofit organization for the promotion of democracy and human rights in Iraq. In this capacity, she has worked extensively with the Iraqi community in Northern Iraq and in exile. She has also published several essays on the Iraqi opposition and related issues. We have asked Ms. Francke to discuss the general human rights situation with the focus on the Kurds and the majority Shi'a population and the relationship of those oppressed communities with Iran.

Ms. Francke, your entire statement will be made a part of the record. You may proceed as you wish in your summary.

STATEMENT OF REND RAHIM FRANCKE, EXECUTIVE DIRECTOR, THE IRAQ FOUNDATION

Ms. FRANCKE. Thank you, Mr. Chairman. I will summarize my longer written statement.

I want to focus on three issues which I believe are critical and dangerous to the situation as I see it in Iraq.

The first one is the situation in the Kurdish north, where factional warfare has been going on since May 1994. There was a U.S. effort in August 1995 and in the following months to mediate between the warring Kurdish parties, the PUK of Jalal Talabani and the KDP of Masoud Barzani.

Unfortunately, the U.S. effort fell into the category of too-little-too-late, and although an agreement of principles was reached, no mechanism was put in place and activated to implement that agreement. What we then eventually got in this vacuum that was created is an open door for Iran to step in. And, indeed, as Mr. Makovsky has mentioned, Iran has become the major power player in Northern Iraq, certainly since May 1995, and this has accelerated since the collapse or virtual collapse of the U.S. mediation.

To give you an example, there are at least five cities in which the Iranian Government has intelligence and revolutionary guard offices. Now, this number itself is significant, but I think the most significant part is that these act, in a sense, as command-and-control centers in Northern Iraq. They recruit adherent, they reach out to people, and they gather forces in support of Iranian presence in Iraq, and particularly in the north, from these centers.

The Iranians have also managed to bring about an agreement between the warring Kurdish parties. Although nothing was signed, in fact, there has been a release of tensions as a result of direct Iranian mediation between the parties of Talabani and Barzani.

The third item in which Iran has exerted influence is regarding the PKK. The Iranians have been able to mediate an agreement between the PKK and the KDP and has, in fact, created a PKK enclave in Northern Iraq which borders both on Turkey and on Iran.

Therefore, through Iranian mediation, the PKK has now secured bases in Northern Iraq which the KDP has undertaken not to attack and not to undermine. Through Iranian mediation, the PKK is becoming a third political force and military force in Northern Iraq, and this will certainly affect the security of Turkey very adversely.

We are very concerned about this increase in Iranian influence in Northern Iraq, and, in my estimation, this can only be mitigated if there is a resumption of a serious and viable U.S. effort to mediate between the Kurdish parties under U.S. aegis.

The other force that is in Northern Iraq right now is Saddam Hussein, and certainly within the last few months, with the excuse of the oil sales and the possible opening up of the oil pipeline with Turkey, the agents of Saddam, including the oil minister of Iraq and guards and technicians, have gone through the Kurdish region, have met with KDP officials, and there are escalating reports of meetings between Iraqi officials and KDP officials with the excuse that this is all part of the opening up of the Iraqi-Turkish pipeline.

However, Saddam is rapidly becoming the second force to contend with after Iran in Northern Iraq. This, in our view, is due to the inadequacy of the U.S. effort to do something about the Kurdish situation in the north.

The second point I want to address is the regional situation. Since the Gulf War, the countries of the region have looked to the United States to take the lead in creating policy in Iraq and, hopefully, policy that will bring about change in Iraq. Unfortunately, the countries of the region have been disappointed.

The countries in the region, particularly the countries that are immediate neighbors of Iraq, are aware both of the dangers of Saddam's continuing power and also the importance of Iraq to an overall regional security system, be that the Middle East peace process or a Gulf security system. The countries in the region are aware that without Iraq such a system cannot be achieved and with Saddam Hussein such a system cannot be put in place effectively.

Therefore, several countries in the region have taken the initiative to become the engineers and the agents of change in Iraq. The most important country to do so is Jordan, and the initiative of King Hussein of Jordan has been the biggest change in the political climate around Iraqi political issues recently.

King Hussein has grasped the danger to the region of Saddam Hussein staying in power. The king has advocated democracy and responsible government in Iraq, and his initiative has been warmly welcomed by the Iraqis. Defections to Jordan have increased. Most recently, the lieutenant general who was chief of staff of the Iraq Army until 1990 has defected to Jordan and is now there. This is only the most recent defection. There have been escalating numbers of defections to Jordan since August 1995.

The Iraqis are very interested in the Jordanian initiative, and they are anxious to see greater and unequivocal U.S. support for the effort that is being made by Jordan. At the same time, Iran and Syria are eager to block the Jordanian effort and have stepped up their political and their operational moves to be themselves the agents of change in Iraq rather than Jordan in order to safeguard their security and political interests in Iraq.

There is going to be a meeting in Damascus on April 2 of major Iraqi political groups. This will include the Kurds, who are being pressured by Iran to go. It will include the Islamist Iraqi groups who are in Iran, and it will include the political groups in Syria, who are comprised primarily of Ba'thists who adhere to the Syrian

line of Ba'th, of Arab nationalists, and of the Iraqi Communist parties or factions of the Iraqi Communist parties.

These are the parties that are going to form the meeting on April 2. This meeting will not be a meeting to discuss politics, but a meeting to discuss operations on the ground, in other words, how to get rid of Saddam and how all can cooperate in this effort. "All" here means Syria, Iran, and those factions of the Iraqi opposition which is meeting in Damascus.

I might add that this meeting in Damascus is outside the framework of the Iraq Congress, the INC, which is the major coalition group of Iraqi opposition. In other words, we are getting an unpleasant and potentially dangerous conflict and rivalry in the region for leading the effort of change in Iraq, since there is no leadership coming from the quarter which all countries expect it to come from, that is, the United States.

Domestically, I would propose that clan fighting has been going on for 2 years and has created significant cracks and fissures in the Iraqi political structure. I believe the armed forces are corroded. Even the Republican Guard is not a force that Saddam Hussein can rely on, and, in fact, Saddam Hussein's strength has now been reduced to paramilitary groups including the special Security Guard, the Presidential Guard, and the Feda'iyee Saddam, which is the Commando of Saddam. The first two, the Presidential Guard and the Specialty Security Guard, are under Saddam's son Qusayy, and the Commandos of Saddam are under his son, Udayy.

It is my belief that power in Iraq is now restricted to Saddam and his two sons, and all the attempts of Saddam to whitewash and put in place Ba'thists and civilians who do not belong to his immediate family are simply red herrings and deceptive tactics and that these people may have responsibility, but they have neither power nor authority.

Finally, Mr. Chairman, I want to say that the potential for chaos and external interference in Iraq is high, and this is what we are seeing in Northern Iraq. A Lebanon-style situation, as Mr. Makovsky suggested, would be disastrous to the security of the region. Iraq is not Lebanon. Iraq has too many neighbors. Lebanon has only Syria and Israel. Iraq has six or seven neighbors, each of which has a stake and an interest in Iraq and in having Iraq lie in its sphere of influence or at least serve as its strategic depth.

The stakes in Iraq are high. Iraq has the second highest level of oil reserves in the region. It is not a country that can be contained for very long. Therefore, I believe any Lebanonization of Iraq is going to embroil the whole region in conflict. At the same time, Iraq is crucial to regional security. We cannot have a total Middle East peace process, we cannot have total Gulf security unless Iraq is involved. But, on the other hand, it is not possible to do any of that while Saddam Hussein is in power, and most countries in the region, notably Jordan, Syria, Saudi Arabia, and Kuwait, are perfectly aware of this situation.

The only possibility is for a superpower like the United States to take the lead in averting these possible disasters. The United States needs to develop a viable and serious policy for change in Iraq and work for such a policy in cooperation with our allies in the region. There is no question of creating change externally.

26-149 - 96 - 3

However, there should be a policy and a vision for change in Iraq. There should be an idea of what kind of Iraq we want to see and to help to work with our allies to make this happen.

I believe that the king of Jordan has articulated a vision which is compatible with the aspirations of the Iraqis, and there is a need for greater U.S. support for the king's ideas and proposals for what Iraq should be like. Thank you, Mr. Chairman.

[The prepared statement of Ms. Francke appears in the appendix.]

Mr. BURTON. [Presiding] I want to thank you very much. I apologize. As you can see, everybody is going to different meetings, but the remarks that you are making will be in the record, and every member of the committee will be reviewing them.

From your remarks—and I did not hear the other members of the panel—it seems to me that it is a fait accompli that Saddam Hussein is going to be gone in the not-too-distant future. You assume to think this is going to happen. Is that right? However, he has been pretty resilient. I find that——

Ms. FRANCKE. He is very resilient. I think what is going on is that he has a core group of—not Republican Guard or army, but personal Security Guard, and they could be in the tens of thousands—we estimate about 30,000 to 40,000 who are, in fact, in charge of safeguarding his person.

Mr. BURTON. I understand.

Ms. FRANCKE. Therefore, the whole country can go to hell and can fall into chaos, so long as Fortress Baghdad is safeguarded. This regime is internationally regarded as being in power. The reality is not the same. I have written in my testimony a description of the situation in the south, as I understand it, from reports inside Iraq and in the Center, and I do not believe that there is total control by Saddam over those areas.

The question is, Baghdad is key to Iraq, and that's what Saddam knows, and this is what he is holding onto. Ultimately, it is Baghdad that needs to be moved.

Mr. BURTON. Do you anticipate a coup d'etat?

Ms. FRANCKE. Mr. Chairman, no, I do not believe that the scenarios for a coup d'etat are realistic scenarios. The problem is that Saddam's major strength is his intelligence and security operations, and we have had several attempted coup attempts which have been foiled. They do not even rise to the level of coup attempts; they are merely plots. And before they ever materialized, the plotters were discovered, seized, executed, and the executions affect the family rather than the individual only.

Mr. BURTON. So, then, it is an open-ended question whether or not he will be there a year from now, 5 years from now, or 10 years from now.

Ms. FRANCKE. I believe a great deal depends on the United States.

Mr. BURTON. What about this meeting that you're talking about that's going to take place in Syria where they are going to actually formulate plans to take action on the ground in Iraq, I assume, to replace him? Do you anticipate these plans will be made at this meeting?

Ms. FRANCKE. I believe that the principal purpose of the meeting is to thwart any Jordanian influence on Iraqi affairs.

The second point of the meeting is to work out methods by which there could be movement on the ground from Northern Iraq, from Southern Iraq, and from Western Iraq, where there are disaffected and rebellious tribes, to see if several spontaneous military rebellions can be engineered at the same time. And this is the type——

Mr. BURTON. To force him from power.

Ms. FRANCKE. I beg your pardon?

Mr. BURTON. To force him from power.

Ms. FRANCKE. To force him from power.

Mr. BURTON. Assuming that they do formulate this kind of a plan—and I anticipate hearing from the rest of you as well—you said that there is a void that has been created by a lack of action on the part of the United States in trying to help formulate some kind of a policy, but assuming that this does take place and Saddam is forced from power, what would a post-Iraq look like if we did not take any positive action and this coalition of groups that are going to be meeting in Syria were successful?

Ms. FRANCKE. The coalition that is meeting in Syria—I enumerated the parties that are going to be there, the Islamist Arab nationalists, the communists, and the Ba'thists—if anything emerges out of this meeting, then it is going to reflect the political makeup of these groups. It is very unlikely that any of them can possibly reserve power totally to itself.

Mr. BURTON. But they would have to be meeting under the auspices of Syria, so Assad——

Ms. FRANCKE. Certainly. They are meeting under the auspices of the Syrian Government, yes. I beg your pardon. Your question?

Mr. BURTON. So, if they formulated some kind of a plan—you do not have any idea what the post-era would look like in Iraq should he leave power?

Ms. FRANCKE. Not if it is something that emerges out of the meeting in Damascus.

Mr. BURTON. What should the United States do, any of you?

Ms. FRANCKE. May I just begin by suggesting one thing that the United States should do, and that is intensify its effort to bring peace between the Kurdish parties under U.S. auspices and put in place the mechanism for monitoring this peace, and this would be the first big step to getting rid of external influences inside Iraq. I think that would be the major political step that the United States can take. I would leave it to others to suggest things.

Dr. MARR. I am not quite as sanguine about U.S. intervention as my colleague, Rend. We have had this discussion very frequently. I, too, would support reasonable steps to encourage a change of regime in Baghdad, but I think the extent to which we can actually engineer such a change or undertake the sorts of things that I think would be acceptable to the American public and to Congress, is limited.

I would certainly support actions by King Hussein in Jordan. He is very well placed to make contact with Iraqis and to begin to formulate ideas for a post-Saddam regime. Certainly one must keep restrictions on Iraq as has been suggested here; nobody is suggesting taking them off. One could also make some effort to get a shift

in the political balance in the area to people who really want to see him gone. Right now, the Saudis, the Kuwaitis, and others who would like to see him gone, are very lukewarm about it, because they fear instability.

If it became increasingly apparent that the countries of the region, including our friends—Egypt, Jordan, Kuwait, the GCC, and so on—were prepared to support change, that would help. Ultimately, however, in the long run, I am less sanguine about these efforts, including the efforts that are taking place in Damascus, to actually put something in effect in Baghdad. Despite the fact that Saddam's power base is weakening, despite the fact that he is not popular, he has still got survival potential and resilience.

I do not have the time here but in my paper I have gone into what this resilience consists of inside Iraq. People are supporting Saddam for three reasons: first is fear, fear of what he can do to them if they move against him; second is the very great difficulty in penetrating his security system; and, third, because they are afraid of the alternative.

I also believe that the United States ought, in some way, to make it apparent that should there be a change in Baghdad, there would be benefits from it. Short of making statements that our policy is to overthrow Saddam—I understand all the reasons why such a statement is not viable—we have not done very much to make it plain that there would be some "carrots" for an alternative regime.

This would not mean removing all of the restrictions and constraints on Iraq, particularly applying to weapons of mass destruction, but certainly we should consider an easing of the sanctions regime. We should also consider reducing reparations to Kuwait. Depending on the behavior of an alternative regime, we should be willing to recognize it and start a dialog.

I would like to make one more appeal here. Whether Saddam stays in power or whether Saddam does not stay in power, we are going to have to find a way to open up Iraq; otherwise, we are not only going to get an implosion inside, but another generation of people who have been cut off from the outside world and who do not understand it. Many may, unfortunately, be imbibing the current political culture inside Iraq. One of the best venues for such an opening and for making contacts is Jordan. Jordan is a viable location for us to begin to work on contacting elements inside Iraq.

These are modest suggestions. It would certainly help if we did some of these things, but I am afraid that resilience inside Iraq is stronger than Rend has indicated; we have been having this discussion for 5 years, and Saddam is, alas, still there.

Mr. BURTON. Has anybody from your office forwarded to the State Department a list of these suggestions on positive actions that we could take?

Dr. MARR. Well, I've been doing it for some time, and so have other people. Some of them are well known. They are not easy to accomplish. I think there are difficulties with some of them. I am not so sure that some people are not doing some things quietly, particularly with King Hussein, but I am not in a position to say that for a certainty.

Mr. BURTON. Well, we will see if we can forward some of your positive suggestions to the State Department, and maybe they will incorporate it into their discussion.

Mr. MAKOVSKY. Mr. Chairman, could I just add one word on that?

Mr. BURTON. Sure.

Mr. MAKOVSKY. To pick up on Phebe's point about offering incentives and showing that life can be better without Saddam, again, I would just underscore the point that part of Iraq is liberated from Saddam, and yet it is treated under the sanctions precisely as that area that is not liberated, and I think that is exactly the wrong kind of message that we send to the rest of Iraq.

Second, I would just like to draw your attention to an area where I think Congress could be helpful. To pick up on Rend's point about the Iraqi-Kurds and try to encourage the U.S. diplomatic effort: there was an understanding that the agreement—there is a draft text agreement between the two feuding Iraqi-Kurdish parties—and that it would be monitored by a so-called neutral commission, which was to consist of unaffiliated Kurds and non-Kurdish-Iraqis under the umbrella of the Iraqi National Congress.

My understanding is that the United States was supposed to supply startup funds some time ago for that neutral commission. It is a rather small amount, as I understand, but apparently because of bureaucratic snags, those funds have not been forthcoming. I have been told that by a number of people involved in the process. The lack of those funds has tied the hands of U.S. negotiators trying to reconcile the Iraqi-Kurdish groups.

Mr. BURTON. We will have the staff check into that, and ask the State Department to answer.

Mr. MAKOVSKY. I think that would be very useful. Thank you.

Mr. BURTON. I gather, in closing, that this is a time bomb, and you all agree that if something is not done, it could end up with a real conflagration which could spread throughout that entire region. Something needs to be done. We need to formulate some kind of positive policy, a carrot-and-stick approach, I presume. Yes?

Ms. FRANCKE. Certainly, that's my opinion. I want to just say one thing. That is that the United States has really not had any policy toward Iraq, save for sanctions. The only policy that has been visible has been to clamp down with sanctions. No other policy has been either developed or implemented or proposed. And any of the suggestions that my colleagues and I might make have been made over and over again. You asked Dr. Marr whether these have been advanced. Yes, they have, many times, but we just have not had any reaction other than containment, which is done through sanctions; and that's not enough.

Mr. BURTON. I know that nobody has a crystal ball, but do you think time is of the essence in getting some kind of a resolution to this situation or some kind of a new policy?

Dr. HELMS. Can I add something here? I mean, everybody talks about changing this government, but I really think it is important to put on the record here as a kind of devil's advocate, that it was never the intention of the U.N. resolutions to effect an internal change in the Iraqi Government. Now, covertly, the United States

may do that and may have contacts with Iraqi opposition groups, but that is not the intent of the U.N. resolutions.

The other thing that should be mentioned here is that King Hussein, of course, has more openly supported Iraqi opposition groups and has, in fact, allowed one this week to open up offices inside Jordan. However, he has also been severely criticized within the Arab world itself because Arab leaders have traditionally followed a policy of noninterference in each other's countries. So this has put him in a much more critical and vulnerable position himself.

As well, if this position or this policy of working with Iraqi opposition groups is much more tabled and open, I believe we will run headlong into our U.S. allies who hold very different policies toward the region than we do. The United States maintains a "dual containment" policy on both Iran and Iraq. The European allies have a strategic "engagement" policy with Iran. But if, in fact, it becomes very clear that U.S. strategic interests are to change physically the central government in a country, I believe we will widen the breach in the U.N. Security Council on any number of issues in the future.

It should also be mentioned that the meeting that is taking place among Iraqi opposition groups in Syria is not the first of its kind. There have been multiple meetings of these opposition groups in the past. None of them have been able to agree on anything. Many of these people were exiled even before the Ba'th Party came into power. They do not have support bases inside the country. They are supported by Iran, Syria, the Saudis and others. They are totally driven by their own competing interests. And they have completely different ideological goals.

Should something happen to Saddam Hussein tomorrow morning—even natural death by heart attack—the only hope for a central government is that the military can gain some kind of control over all these diverse, pluralistic groups inside the country. The United States itself, although it has tried to deal with the Kurds in the past, has been very discouraged. Since mid-1994, as Rend Francke here has very ably and very interestingly given you a complex tapestry of the events happening in Northern Iraq, you have the PPK, the Iranian groups, as well as Masoud Barzani and Jalal Talabani. In addition, you have many others. The Kurds are not an autonomous group. There are many different Kurdish tribal groups with their own local leaders that we do not even hear about in newspapers here. That has been very discouraging for U.S. officials associated with Operation Provide Comfort. From the Turkish point of view, they attribute these sanctions against Iraq to the increasing unrest in the southeast part of Turkey.

So simply to talk in a naive way about changing central governments and throwing more resolutions at the problem is really to ignore totally the strategic and diplomatic realities that exist in New York and in Europe with America's other allies.

Mr. BURTON. It sounds like a Gordian knot—and I do not want to appear to be too naive, but if we do not come up with some kind of a proposed solution, either from the United States or from the United Nations or some multinational group, that at some point Saddam Hussein probably will exit the scene, and with all the assets and the central location of Babylon, Iraq, you could have a

major confrontation/conflagration that could cause a big problem throughout the Middle East.

So, to do nothing seems like, at least in the short run, OK, but in the long run not the best idea. Probably the reason that Ben Gilman wanted to have all of you folks testify today is to try to glean from your vast knowledge some idea as to how we, as the United States, should approach this problem. I know that we appear to be a little naive sometimes with some of our suggestions, but the reason we have these hearings is to get the best information that we possibly can so that when we do talk to the State Department, we can come up with some suggestions that might have some merit.

Do we have any other questions you think we ought to cover? What about Turkey and Operation Provide Comfort?

Mr. MAKOVSKY. In my prepared remarks, actually——

Mr. BURTON. You did cover that?

Mr. MAKOVSKY. I covered that, yes. The most recent information we had as of this morning is that there would be a vote today and that a limited 3-month extension of Provide Comfort was probably going to pass the Parliament, but future extensions remain very much in doubt, particularly given the fact that Turkey is ruled by a minority government right now and that there is considerable opposition to Provide Comfort in the newly elected Parliament.

Mr. BURTON. Very good. I appreciate very much your tolerance, and we will make sure that all of your remarks are given to all the members of the committee, and we will pass on your suggestions to the State Department in our discussion. Thank you very much. The meeting stands adjourned.

[Whereupon, at 1:32 p.m., the committee was adjourned.]

APPENDIX

(prepared for delivery)

THE U.S., THE UN, AND IRAQ
OPENING REMARKS OF AMBASSADOR MADELEINE K. ALBRIGHT
PERMANENT REPRESENTATIVE OF THE U.S. TO THE UNITED NATIONS
HOUSE COMMITTEE ON INTERNATIONAL RELATIONS
MARCH 28, 1996

Good morning, Mr. Chairman and members of the Committee. It is good to see you all again

I welcome this timely opportunity to discuss with you United States policy towards Iraq, with particular attention to the aspects of that policy that are carried out through the United Nations.

As members of this Committee know, the United States has been determined, in the aftermath of the Persian Gulf War, to prevent Iraq from once again developing weapons of mass destruction or threatening regional peace and security. In this effort, the strong bipartisan support of Members of Congress has been essential; and the tool of economic and weapons sanctions, imposed by the UN Security Council, has been of singular value.

It is U.S. policy that these sanctions should remain in place until Iraq is in overall compliance with all relevant Security Council resolutions. This means that Iraq's government must comply not only with its obligations concerning weapons of mass destruction, but with other obligations imposed by the Council, as well. It must cease repressing its people, stop supporting terrorism, return stolen property and account for Kuwaitis missing in the aftermath of the 1990 invasion.

It is fair to say that the United States and Saddam Hussein do not see eye to eye on this policy. Saddam complains to all who will listen that sanctions are unfair and that they have inflicted great hardship on the Iraqi people. The truth is that the United States and the world community have demonstrated far greater concern for the wellbeing of the average Iraqi than has Saddam Hussein.

As I will describe later in more detail, the current Iraqi regime has established priorities in which the needs of the people come last. Iraq's scarce public resources are squandered on the military, grandiose infrastructure projects, and luxury residences for Saddam's family and friends.

Moreover, Iraq has consistently rejected efforts by the Security Council to alleviate the adverse humanitarian impacts of the sanctions regime. As far back as 1991, the Security Council approved a Resolution authorizing the sale of limited quantities of Iraqi oil to finance the purchase of humanitarian goods. In 1993, a plan was approved to permit the sale of oil stuck in the pipeline from Iraq to Turkey. Finally, in April of last year, the Council approved Resolution 986, which would permit Iraq to sell up to $1 billion of oil every three months and use the money to buy humanitarian supplies.

After refusing for many months even to consider accepting Resolution 986, Iraq recently entered into discussions on the subject with Hans Corell, the UN's legal counsel. Those discussions are scheduled to resume on April 8.

The United States hopes very much that Iraq will agree to Resolution 986, so that the humanitarian purposes of that resolution may be achieved. We are insisting, however, that any arrangement to sell oil be accomplished within the parameters of the resolution. Thus:

-- transactions pursuant to it would be monitored closely by the United Nations, and funds derived from those transactions would be deposited in an escrow account established by the Secretary General;

-- approximately $130 million to $150 million of the revenues in each 90 day period would be made available to supplement the UN's Inter-agency Humanitarian Program within Iraq's three northernmost provinces, where Iraq's Kurdish minority is concentrated;

-- thirty percent of the revenues would be deposited in the Compensation Fund established by the Council to compensate those who suffered economic loss as a result of Iraq's 1991 invasion of Kuwait; and

-- revenues would also be used to pay current operating expenses of the UN Special Commission (UNSCOM).

The major substantive sticking point in the discussions to date involves the purchase and distribution of goods in northern Iraq. Resolution 986 is explicit that the situation in northern Iraq is to be handled by the United Nations Humanitarian Program, which has been operating in the area since 1991. The Iraqi side is apparently demanding that the goods be distributed through the Baghdad-controlled government ration system. Such an arrangement would clearly contravene the terms of the Resolution, which Council members have affirmed will not be amended.

It may be that Iraq is seeking to use Resolution 986 to reassert its political authority in the north. However, this Resolution is strictly a humanitarian document; Iraq will not be permitted to abuse it for political ends.

It is not possible to predict, at this point, whether Iraqi leaders will agree to implement the Resolution. We hope they do. The Iraqi people have suffered enough as a result of their government's misguided policies. Resolution 986 provides a means of relief for the people, without undermining the integrity of the overall sanctions regime.

Whether or not the "oil for food" discussions lead to an agreement, the fundamental question involving Iraq's relationship to the world community will remain. That issue is whether or not Iraq is in compliance with the Resolutions approved by the Security Council.

Unfortunately, since 1991, Iraqi leaders have tried every possible approach to these resolutions except full compliance. They have delayed and obfuscated. They have demanded concessions in return for small steps. They have threatened and bullied UNSCOM. They have lied. In 1994, they even attempted to intimidate the Security Council through threatening military maneuvers directed towards Kuwait.

These tactics have not worked, and the United States is determined that they will never work. Iraq must understand. It can comply now, or it can comply later, but if the sanctions regime is to be lifted, Iraq has no other choice but to comply.

Our resolve on this point is unwavering. It was about five years ago that the Persian Gulf War ended. Hundreds of thousands of American soldiers put their lives on the line in that war. We should not and will not allow Saddam Hussein to regain in the Security Council what he forfeited through his own ambition and miscalculation on the battlefield.

We are determined to maintain sanctions until we are convinced by Iraq's behavior that it no longer constitutes a threat to international peace and stability. Iraq can demonstrate that by proving--through its compliance with the Resolutions--that it is no longer an outlaw state. Only when its peaceful intentions are proven will there be grounds for modifying the sanctions regime.

Experience tells us that Saddam Hussein's Iraq will respond constructively only to a policy of firmness and steady resolve. In October 1994, when Iraqi troops once again threatened Kuwait, President Clinton responded immediately, forcefully and effectively. As a result, Baghdad not only pulled back its troops; it agreed, at long last, to recognize formally its legal border with Kuwait.

The question remains, then, to what extent Iraq remains out of compliance with the relevant Security Council resolutions.

During the next few minutes, with the help of Mr. James McMann and Mr. Edward Pendleton of the National Intelligence Council, I would like to review with you the facts and the evidence that underlies them.

Weapons of Mass Destruction (WMD)--Biological Warfare.

First, the United States fully supports the efforts of UNSCOM Chairman Rolf Ekeus to fulfill his mandate under Security Council Resolution 687, and to ensure the full dismantling of Iraq's weapons of mass destruction programs.

Unfortunately, Iraq continues to hide details of its past weapons programs. Most recently, it delayed UNSCOM inspections on five separate occasions, each delay a violation of its obligations to the Security Council.

The scope and effectiveness of UNSCOM inspection and monitoring activities in Iraq is not an academic matter.

We share the concern expressed by Chairman Ekeus here in Washington last week that Iraq may still retain a dozen or more Scud missiles and several mobile Scud launchers. Moreover, we do not believe Iraq has given up plans to develop larger, longer range missiles with which it could blackmail or attack not only its neighbors, but potential targets in Europe, Asia and North Africa.

As evidence, consider that, in November 1995, Jordanian authorities intercepted a shipment of sophisticated Russian-produced missile guidance instruments bound for Iraq. This shipment included enough instruments for at least 60 long range missile guidance packages. Iraq later admitted--after pointed UNSCOM questioning--that another shipment of the same instruments had reached Iraq earlier in the year.

Lest there be doubt about its intentions, Iraq continues to devote money and manpower to rebuilding its infrastructure for its weapons of mass destruction and conventional weapons programs. The Al Kindi missile research and development facility, for example, supported many Iraqi weapons programs before the war. The facility was damaged heavily during Operation Desert Storm but has been largely rebuilt and even expanded since then. The facility has been under UN supervision, but if UN inspectors were forced to leave, it could easily be converted to support prohibited weapons programs.

The Habbaniyah II facility produced chemical warfare (CW) agent precursor chemicals before Desert Storm. The Iraqis have rebuilt the main production building and the chlorine plant and have added a phenol production line as well as a ferric chloride line. These production lines contain dual-use equipment that, in the absence of UNSCOM, could easily be converted to CW agent or precursor chemical production.

We also agree with Chairman Ekeus that Iraq has not provided adequate proof that it has destroyed all of its chemical and biological warfare agents. Recall that last year, Iraq finally admitted that it had produced enough such agents to kill every man, woman and child on earth. Furthermore, it admitted loading these agents into Scud missile warheads, that it now claims it destroyed. The Iraqi government asks that we trust these claims, even as it repeatedly obstructs UN inspectors.

We also remain gravely concerned about what we consider to be a continuing Iraqi desire to build and possess nuclear weapons. Currently, this desire is thwarted by regular inspections and monitoring by UNSCOM and the IAEA. We believe, however, that Iraq would seize any opportunity to buy nuclear materials or a complete nuclear weapon on the underground market. Iraq also retains the expertise to build nuclear weapons. More than 7,500 nuclear scientists and technicians remain in the country.

We cannot rule out the possibility, moreover, that Iraq is continuing theoretical, computer-based nuclear weapons research. This type of research could help Iraq to reduce the time it would need to produce a sophisticated weapon should it acquire the fissile material required to do so.

Accordingly, it remains a very high priority of the United States, supported by members of the Security Council, to prevent Iraq from buying, stealing or producing the materials needed to fulfill its continuing potential as a nuclear power.

Support for Terrorism.

UN Security Council Resolution 687 (paragraph 32) prohibits Iraq from committing or supporting any act of international terrorism and from allowing terrorists to operate in Iraq. Iraqi behavior since the end of the Gulf War, however, shows a consistent pattern of using terrorism to accomplish domestic and foreign policy goals. The Iraqi intelligence service conceived, planned and executed the abortive attempt to assassinate former President Bush in 1993.

In addition, over the last several years, Iraqi operatives--sometimes with the help of Iraqi diplomatic personnel--have gunned down or poisoned dissidents in northern Iraq, Jordan and Lebanon. There is also strong evidence that Iraqi intelligence set up the fatal car accident in July 1994 of a prominent Shia muslim cleric, whose international organization engages only in charitable activities.

Unabated Repression of Iraqi Civilians.

If the world were beginning to forget Saddam Hussein's capacity for brutality and deception, events of the past few weeks provide a pointed reminder.

The murder of Hussein Kamil and his brother, their father, their sister, their nieces and nephews, and some cousins was not simply an al-Majid family matter, as Iraq's government-controlled press would have the world believe. The shootout at the Majid home was directed, and possibly attended by, Saddam's son Uday and former Defense Minister Ali Hasan al-Majid.

It should be remembered that the defectors returned to Baghdad because they had been promised explicitly that they could do so safely. And that they were Saddam Hussein's own sons-in-law. The fact that they were murdered so remorselessly illustrates Saddam's indifference to the taking of human life, the emptiness of his promises and the contempt he feels for any conception of honor or law. His behavior is that of a dime-store bully, not a responsible national leader.

These traits have been on display more broadly in the Iraqi government's record of harsh repression towards its own population, in violation of Security Council Resolution 688.

In the North, Baghdad's current round of repression against the Kurds extends back to the "Anfal campaign" of the mid-1980's. It continues today in the form of a total embargo of food and a partial embargo of electricity against Kurdish-dominated provinces. These embargoes have left the Kurds almost entirely dependent on external sources for essential goods and services. Recent government promises to resume shipments of food to the northern provinces have, to date, not been fulfilled.

In the South, the Iraqi military and security forces have imposed a repressive climate that includes suppressing most Shia religious activity, detaining and killing prominent religious leaders, the extrajudicial killing of thousands of Shia citizens, and the complete destruction of hundreds of villages or hamlets suspected of harboring or sympathizing with anti-Saddam insurgents.

The regime has also undertaken an extensive water diversion program in southeastern marshes that has destroyed this ancient and vital wetland. In so doing, it has also destroyed the ability of up to 200,000 Iraqi Marsh Arabs residing in the area to maintain their traditional livelihood. The project prevents water from the Tigris and Euphrates rivers from entering the Al Amarah and Hawr-al-Hamr marshes and has virtually dried out the former wetlands.

As a result of the drying, tens of thousands of Shias have been forced to relocate, many in neighboring Iran.

Furthermore, Iraqi forces dislocated thousands of marsh dwellers to facilitate construction of the project, have destroyed hundreds of villages, and have burned large tracts of marshland--up to several hundred square kilometers at a time.

Baghdad asserts that its actions are part of a long term program to enhance the cultivability of the marshes. However, surface and soil salt levels, especially in the Hawr al-Hamr marsh, are too high to sustain most agriculture. Some areas of the Al Amarah marsh might be able to support barley or date crops. There are signs of new agriculture in these areas, but in the process Baghdad has displaced the entire indigenous population. The water diversion projects and drying operations have been primarily military and repressive in purpose, and environmentally and economically devastating in their effect.

More generally, Max van der Stoel, the UN's Special Rapporteur on Human Rights in Iraq, has asserted that the Government of Iraq has engaged in war crimes and crimes against humanity, and may have committed violations of the 1948 Genocide Convention. The Special Rapporteur continues to call on the Government of Iraq to permit the stationing of monitors inside the country to improve the flow of information and to provide independent reporting of alleged human rights abuses. We continue to support Mr. van der Stoel's work and his call for monitors.

Failure to Account for POW/MIA's

UN Security Council Resolution 687 requires Iraq to cooperate with the ICRC to facilitate the repatriation of all foreign detainees. Baghdad's stalling tactics, however, belie its claim that it is cooperating with the ICRC's tripartite commission on Gulf War POWs/MIAs.

To date, Iraq has provided superficial and incomplete information concerning less than one-fourth of the 602 persons reported missing by Kuwait, and no information at all regarding the others.

Baghdad claims that relevant documentation was destroyed during the Gulf War and subsequent uprisings. However, numerous similar claims by Baghdad about documentation of its weapons programs have now been shown to be false.

The ICRC has been allowed into Iraq to conduct relief programs, but not to look for the missing Kuwaitis.

Failure to Return Stolen Property.

In Resolutions 686 and 687, the Security Council required that Iraq return to Kuwait the military equipment it stole during the invasion. Iraq's claim to have complied with this requirement is laughable.

Baghdad continues to hold thousands of pieces of Kuwaiti military and civilian equipment, worth hundreds of millions of dollars.

- For example, Iraq claims that it has only four of the BMP-2 infantry fighting vehicles that it stole from Kuwait; we estimate it has more than 200.

- Prior to the invasion of Kuwait, Iraq only had single-carry heavy-lift transporters in its inventory. They stole about 100 Kuwaiti transporters capable of carrying two APCs each. The Iraqis even used them to move pieces of equipment--including the stolen Kuwaiti BMP-2's--that were used to threaten the emirate in October 1994.

- The list of other Kuwaiti equipment still in Iraqi hands includes an I-Hawk SAM battery, 58 M-113 armored personnel carriers, 54 M-109 TOW-equipped armored personnel carriers, nearly 4000 TOW missiles, 12 FROG-7 rocket launchers, 120 FROG rockets, 100 tank transporters and 5 Amoun (Skyguard) air defense systems.

- Much of what Iraq actually has returned is not Kuwaiti at all, but rather derelict Iranian equipment, captured during the Iran-Iraq war, complete with documents written in Farsi and painted-over pictures of the Ayatollah Khomeini.

Manipulating the Economy.

The Baghdad regime has manipulated the Iraqi populace by exploiting talks with the UN over Security Council Resolution 986 and employing other propaganda.

Although Saddam has not yet accepted the terms of Resolution 986, the Iraqi press has fueled public optimism by heralding an agreement as imminent. This has buoyed the value of the dinar, enabling the regime to buy, at bargain prices, hard currency held by Iraqis. If Baghdad does not ultimately accede to the Security Council terms, the consequences will be severe for ordinary Iraqis who have given up scarce foreign exchange.

In late January, one major Iraqi newspaper ran a front page article declaring U.S. intentions to cancel the $100 bill, and warning Iraqis that such notes would no longer be honored. The result has been a steady stream of Iraqi citizens visiting the banks to exchange their dollars for dinars.

Coping With Sanctions--Palaces First; People Last.

Neither war, nor sanctions, nor diplomatic isolation have altered Saddam's priorities; he continues to devote considerable resources to rebuilding the Iraqi military and his own palaces.

- Iraq has built 50 new palaces or luxury residences since the end of Desert Storm at a cost of over $1.5 billion. There are now 78 such palaces or residences in Iraq for use by Saddam, his family, or close supporters.

- For example, the Mosul palace complex includes two areas; one with five palaces and two offices or apartment buildings; the other with three completed palaces and a fourth under construction on a newly excavated, man-made lake. The estimated postwar cost of expanding this complex is between $170-$230 million.

- One of the largest and most elaborate palaces in Iraq is in the Lake Tharthar complex; its estimated size of about 300,000 square feet is about five times the size of the White House and one and one-half the size of Versailles. Other buildings on the compound, including residences and service and security facilities, add at least another 150,000 square feet to the complex. The estimated cost of this complex is $180-$240 million.

- An additional $230-$310 million has been spent since the end of the war adding new wings with elaborate archways to the Baghdad Republican Palace, a building which serves as the official palace and symbol of the regime.

In addition to diverting scarce resources away from needed purchases of humanitarian goods, Saddam and his family capitalize on their official positions in Iraq for personal profit, often at the expense of their own citizens.

For example, members of Saddam's family, particularly his son Uday, control extensive business interests in Iraq. Some family members exploit the economic distortions caused by UN sanctions by importing goods into Iraq for resale at exorbitant prices. Saddam's relatives also are involved in illicit oil exports from Iraq and use the proceeds, in part, to line their own pockets. Finally, relief supplies donated by the international community also have ended up for sale in stores reserved for the elite friends of the regime.

A Look Ahead.

In closing, Mr. Chairman, I would like to stress several points.

First, UN sanctions against Iraq have accomplished much. Iraq's capacity to produce weapons of mass destruction has been dismantled; weapons have been destroyed; the border with Kuwait has been recognized; there are clear constraints on what Iraq can do to intimidate its neighbors. The effectiveness of sanctions is directly attributable to their multilateral nature. Here, the value of the United Nations, and the importance of international cooperation in defense of common interests, is clear. This is a major reason why this Administration has advocated policies designed to ensure continued American leadership within a reformed and more effective UN. In the weeks ahead, we will be continuing discussions aimed at gaining strong Congressional support for thos policies.

Second, the work of UNSCOM should serve as a stunning rebuke to those who generalize in a pejorative manner about the management or competence of UN agencies. Under the leadership of Rolf Ekeus, UNSCOM has done an outstanding job under hostile and, at times, threatening conditions. As the Administration has argued on many occasions, substantial improvements in the overall management of the UN is required. But the organization performs a number of indispensable services and, as UNSCOM illustrates, parts of it are already administered in an exemplary fashion.

Third, the Iraq sanctions issue is an example of when it is in American interests to share appropriate, but sensitive, information with United Nations members and agencies. I would go so far as to say that if some of the legislative restrictions that have been proposed on the sharing of such information had been enacted in the past, Security Council support for Iraqi sanctions would have eroded years ago. As prior Administrations have recognized, a well-regulated and closely-monitored policy towards the sharing of sensitive information will serve our interests far more than the virtual prohibition on such sharing that some have proposed.

Finally, the success of our policy towards Iraq is greatly enhanced by the multilateral cooperation we receive. We have worked very hard with our allies to contain the threat that Iraq continues to pose.

Jordan and Turkey, traditionally Iraq's most important trading partners, have suffered significant economic damage as a result of their enforcement of sanctions. The Turkish Government hosts Operation Provide Comfort, which protects the Kurds in the north, and helps enforce the no-fly zone. American aircraft will shortly be enforcing the southern no-fly zone from airbases in Jordan. The countries of the Gulf Cooperation Council have provided badly-needed funding for UN operations in Iraq, host coalition aircraft enforcing the southern no-fly zone and cooperate with multinational naval forces to deter the smuggling of oil through the Gulf.

In closing, Mr. Chairman, let me say that America's position on Iraq sanctions has been consistent, principled and grounded in a realistic and hard-won understanding of the nature of the Iraqi regime.

Our policy will not change. When Iraq does everything the UN Security Council says it must, we will take appropriate steps. As President Clinton stated in his most recent report to Congress on this subject:

> Iraq is still a threat to regional peace and security...I continued to be determined to see Iraq comply fully with all its obligations under the UNSC resolutions. I will oppose any relaxation of sanctions until Iraq demonstrates its overall compliance with the relevant resolutions. Iraq should adopt democratic processes, respect human rights, treat its people equitably and adhere to basic norms of international behavior.

I reiterate the Administration's appreciation for the strong and bipartisan support it has had from Congress with respect to our policy towards Iraq. This has been, and will remain, an essential ingredient to that policy's success.

Thank you once again for the opportunity to be here today. I look forward to any questions you might have.

TESTIMONY BY

DR. PHEBE MARR

Senior Fellow
Institute for National Strategic Studies
National Defense University

at a hearing held on March 27, 1996 by the House Committee on International Relations

I am testifying in my capacity as a scholar and specialist on Iraq. The views expressed here are my own and do not reflect the position of the National Defense University, the Department of Defense or the U.S. government.

It is five and a half years since the onset of the Gulf crisis and the imposition of the current sanctions regime. In the interim we have learned a great deal about the structure of Iraq's leadership, its behavior patterns, and its modus operandi. We have also learned that as long as Saddam Husain is at the helm, these are likely to change only marginally, if at all.

Realistic data on economic, social and political conditions in Iraq are difficult to obtain because the country is so isolated, but based on the best sources available, the following is a reasonable assessment of its situation today. Iraq's society, economy and military posture are all in gradual decline, but they are not near a point of collapse. The country's political "center" is still in control of the country (except for the northern territory under control of Kurdish groups) and Saddam is still in control of the center. Both of these controls are weakening, but the process is slow.

The political cohesion of the regime is still intact, but it has been damaged by splits in the family and the dramatic defection of his sons-in-law, Husain and Saddam Kamil. The core family group which governs Iraq and controls the security system has been significant fractured by these events, narrowing Saddam's power base. One side of the family, the Ibrahim clan, has been alienated by a shootout between his son, Udayy, and his half-brother, Wathban, former Minister of Interior, in which the latter was badly wounded. The other side, the Majid clan, is reportedly split over the gangland style execution of Husain and Saddam Kamil. Even if some remain loyal to the regime, it is not likely that Saddam Husain would rely on them in key security positions. This leaves his sons, Udayy (an unreliable factor) and Qusayy, and more distant relatives in the Albu Nasr clan on whom he can rely.

Saddam is already turning to other elements of the system to bolster his position and fill the gap left by departing family members. Recently, he has been replacing his kin in cabinet positions with professionals--mainly army officers and Ba'th party loyalists. He can be expected to turn increasingly to these two institutions to staff government functions. In addition, he is attempting to legitimize his rule by cosmetic elections, such as the plebiscite that elected him president with over 99% of the votes cast, and the election to parliament held on Sunday, in which all candidates were vetted for their loyalty to the regime. So long as he can control the excesses of Udayy, these steps will buy him time and the reluctant acquiescence of the military, the party, and the educated middle class, who, in any case, do not appear to have the means of unseating him. The key question is whether, over time, he will be able to rely on key leaders in his security system now that family members in these institutions have been thinned out.

While the overwhelming majority of the Iraqi population would undoubtedly welcome a change of regime, the means to accomplish this are not readily available and the costs are likely to be high. Opposition inside Iraq has been manifested in several ways. Reliable reports of attempted coups or coup plots have consistently surfaced; many of these have involved clans, such as the Juburis, embedded in top levels of the military. Last year dissatisfaction within the Dulaimi tribes resulted in an uprising which had to be put down by force. The recent defection of former General Nizar al-Khazraji, a former Chief of Staff, to Jordan is clear evidence of disaffection at high levels. But thus far Saddam's security system has proved impenetrable. The special Republic Guard responsible for his safety has been carefully recruited and rewarded, while Iraqi society is so riddled with informers and the punishment for transgressions is so vicious that little opposition organization can take place inside Iraq.

Opposition groups outside the country are numerous, but they are still fractious and disunited. The most important group, the Iraq National Congress, includes the two Kurdish parties (the KDP and PUK) and an assortment of individuals ranging from former army officers and Ba'thists to liberal democrats and Communists. Two shi'ah opposition groups espouse a religious platform--the Da'wah, which operates underground in Iraq, and the Supreme Assembly for the Islamic Revolution in Iraq (SAIRI), led by Baqr al-Hakim, which has its headquarters in Tehran. Dissident Ba'thists and Arab nationalists have taken refuge in Damascus.

While outside opposition groups have done an excellent job of shedding light on Saddam's abuses and the danger he presents to the international community, their effectiveness inside Iraq has been limited. While they claim to have contacts with elements inside the regime, and to have arranged for individual defections, their constituency in the center, where they are not regarded as a viable replacement, is minimal. In any event, Saddam Husain is unlikely to be overthrown from outside the country. As a result, while one cannot rule out dramatic events in Iraq which could unseat the

regime, the most likely outcome of the current situation is the continuance in power of Saddam Husain.

Impact of Sanctions

Sanctions have weakened the regime somewhat, but their major impact has been felt by society. It is over five years since the sanctions regime was first introduced and the restrictions have not yet succeeded in achieving complete compliance with UN ceasefire resolutions, especially paragraph 22 of resolution 687 relating to weapons of mass destruction (WMD), which is an essential preliminary to removal of the oil embargo.

Despite the heavy toll taken by sanctions on the population, and especially its substantial middle class, Iraq has shown remarkable resilience. Although the Gulf war damaged Iraq's infrastructure and its productive capacity, much of this infrastructure has been rebuilt, especially in the center of the country. Its electricity grid, its telecommunications system, and much of its transportation system, including roads, rail lines and bridges, have been largely repaired, although this repair attentuates in the provinces.

Sanctions have impacted negatively on Iraq's productive capacity. Agriculture has suffered from a paucity of spare parts for machinery; a scarcity of seeds and fertilizers, and poor maintenance of irrigation systems. In the north, the "anfal" campaigns of the central government razed villages and destroyed livestock and crops (as well as people), but these are slowly coming back into production. However, while agricultural productivity has declined, Iraq is still producing enough to keep the population from starvation. Farmers, usually among the poorest segments of society, are benefitting from scarcity and are reportedly doing well. In this respect, rural areas are probably doing better than cities.

Heavy industry (steel, iron, aluminum) have been badly hampered by sanctions, but smaller, light industry is still producing consumer and intermediate goods, although with difficulty. Spare parts and materials are hard to get under sanctions. Industrial production is reportedly about half what it was before the war. The regime has lavished much attention on restoring the oil sector, and estimates indicate that up to 80 percent of Iraq's oil sector may have been repaired. If sanctions were lifted, and funds were available for spare parts and repairs, it is estimated that Iraq could restore its prewar export capacity (3.2 million b/d) within fourteen to eighteen months. Under favorable economic conditions, they could probably reach a goal of 6 million b/d in five to eight years.

Health conditions are bad and taking a toll on vulnerable portions of the population, the old, the infirm and children. The absence of medicine and deteriorating hospital conditions, as well as a rise in malnutrition among vulnerable portions of the population have all been reported by UN teams but their extent

cannot be gauged.

The most serious impact of sanctions has been financial. Oil revenue, between $12-15 billion before the war may now be $1 billion. Up until recently, Iraq suffered from one of the highest inflation rates in the world. The dinar, officially worth about $3.5 before the war, was selling at ID 3,000 to $1, after the defection of Husain Kamil. Since the negotiations on resolution 986 have begun, raising hopes that the oil embargo might be temporarily lifted, the dinar has shown a remarkable rise; it is now trading at about 600-800ID to $1. This has given Saddam a windfall of hard currency which may tide him over the best part of another year. It also indicates the resilience in the Iraqi economy. However, there is little doubt that this inflation has depleted individual Iraqi savings and hit the middle class that lives on fixed incomes very hard. Many have been reduced to selling family assets and working two and three jobs to make ends meet. In addition, Iraq now faces a very high external debt. Aside from the money owed to Gulf countries, which is unlikely to be repaid, its debt to Europe may total $80 billion. This will be a long term burden on Iraq's recovery.

These circumstances indicate that the physical damage to Iraq's productive sectors has not been so great that it could not recover fairly rapidly (within five to seven years) if it received ample oil revenues and had a favorable investment climate. Its main difficulty, as was the case before the Gulf war, will be financial--a heavy foreign debt and the difficulty of creating a climate favorable to investment.

On balance, I must conclude that sanctions have played a role in compelling some compliance with UN resolutions. The regime's incredible intransigence has slowed that process. They have also reduced Iraq's capacity, if not its appetite, for aggression, and they have eroded support for the regime, even in inner circles, as recent defections indicate. But they are working only slowly and at great expense to the Iraqi population and to the social fabric of the country. On their own, sanctions are unlikely to unseat the regime.

Future Directions in Domestic Politics

If the current regime does remain in power, the prospects for any real change in behavior is virtually nonexistence, although there could be shifts in tactics and modest changes in direction. For example, the regime may accept UN resolution 986, despite previous rejections of this resolution because of its infringement on Iraq's sovereignty.

Within ruling circles, even within Saddam's own family, there is evidence of some diversity of view, but the range of diversity is narrow. The nature of these differences can be gleaned from the statements of Husain Kamil, after his defection to Amman; from statements by Barzan, Saddam's half brother who represents Iraq at UNESCO in Geneva; and even on the pages of Babil, the newspaper

owned and edited by his son, Udayy. Within these circles, one may characterize the debate as one between "hard-liners" and "soft-liners".

Hardliners assume that the US aims to replace the regime and that no compromises from Baghdad will suffice to remove sanctions; rather, such sacrifices will only produce new hurdles to be climbed, including permanent relinquishment of sovereignty over portions of their country and their resources. This group hopes that by playing allies off against one another; by dangling lucrative oil concessions before foreign oil companies; by eliciting sympathy for the suffering Iraqi population among regional states, and by playing on national pride at home, they will ultimately be able to split the alliance and isolate the US, together with its supporters--Britain, Kuwait and Saudi Arabia and ease sanctions without having to comply fully with their provisions. On the domestic front, this group would rely on military and security to keep order with minimal concessions to forces of reform.

The softliners recognize that the policy of prevarication and intransigence has failed, and is likely to continue to fail, and reckon that some compliance, especially on WMD, must be made. They favor acceptance of 986 as a first step in the process of lifting the oil embargo. There is also evidence that this group favors political reform at home. This reform includes removal, or reduction, of Saddam's family from positions of authority; a return to professionals in government positions; and elections as a means of opening the system a crack. While all recognize these steps as cosmetic, they are a slight improvement in the right direction. All want sanctions removed, along with other restrictions such as freedom to travel. There is some evidence to suggest that Sa'dun Hammadi, an old line Ba'thist and a shi'i, who was appointed prime minister for a brief period after the Gulf war and the 1991 rebellion, favored such a policy. He has just been elected to parliament and it will be interesting to see if he is again put into a position of authority.

These opinions reflect the views of people who play some role within the regime. One can only assume that the vast majority of Iraqis, including many of those in inner circles, favor a replacement of Saddam Husain and his family, if not the whole Ba'th apparatus, if that could be accomplished without bloodshed, upheaval and the loss of their own lives and the lives of their families. Failing such a change, they will take whatever small steps for improvement the system dispenses.

Regardless of the views of those in inner circles, Saddam Husain is the only one who can or will make these decisions, and it is still his views and outlook which will determine events. Such scant indications as we have on this decision making process indicate that while Saddam Husain does consult advisers and cronies, his decisions are often episodic, idiosyncratic and individual.

The chief aim of his policy is his own political survival, which has been equated with that of Iraq as a nation. For 28 years, through vicissitudes that would have felled most leaders, he has been successful in that endeavor. He is unlikely to tamper with proven formulas for success. A study of his career shows remarkable consistency of views and of methods of operating. If Saddam Husain remains in power there is not likely to be any change in the orientation of his policy or his method of operation. What you now see, is what you are likely to get in the future. He may undertake changes in tactics, but not in long range goals. In short, we are likely to get tactical compliance but strategic defiance.

These long term goals will be based on maintaining Iraq's unity; restoring its sovereignty, including the removal of the No Fly Zones in the north and the south; rebuilding its domestic economy, by maximizing oil revenues with little concern for the effects on oil prices or on Iraq's OPEC partners; and creating a modern, secular, powerful Iraq. This will include, as a cornerstone, a strong military and, if possible, acquisition in the future of WMD and their delivery systems. Iraq will also expect to play a large regional role as a bulwark against Iran; as a determining factor in oil pricing in the Gulf, and as a leader of the Arab world. In short, Saddam will seek to return to the positions and policies he undertook prior to the Iran-Iraq war, and was attempting to regain just before his invasion of Kuwait. However, it will be a long time before he can reach such a goal--indeed it is highly unlikely that he will ever reach it, given the distrust and animosity of his neighbors, the international community, and the US toward him. Nevertheless, there is little evidence that he has altered his aims or his perception of his role in the region. While others around him, especially those of a younger generation, may have modified their views in a more pragmatic direction, it is Saddam's personal views that will prevail.

Directions in Foreign Policy

For the foreseeable future, Saddam is likely to follow a relatively pragmatic policy toward most of his neighbors, with the possible exception of Kuwait and Saudi Arabia, against whom both he and his population harbor revanchist sentiments. Iraq is too weak economically and militarily to challenge other neighbors from whom he needs support in removing sanctions. Adventuresome policies would be resisted at home.

In fact, Saddam Husain has attempted to improve relations with Iran since the Gulf war with minimal results to show for it. Even after verbal concessions on boundary disputes, never formalized in a treaty, Saddam has been unable to secure the return of over 300 Iraqi aircraft flown to Iran at the end of the Iran-Iraq war. Iran and Iraq have exchanged diplomatic visits; Iran has recently said it favors an easing of sanctions on Iraq; and it has been restrained in the amount of support given to Iraqi shi'i dissidents in the south of Iraq. Both countries share some common goals--a

desire to fend off the US and if possible reduce its presence in the Gulf; a desire to see Russian influence restored in the region as a balance to the US, and a policy of improving relations with European powers, especially France and Germany, in an effort to split the Europe from the US and its policy of "dual containment."

These shared policies have had only marginal success. Moreover, the results of the Iran-Iraq war have left a residue of deep bitterness and distrust on both sides, not only on the part of the regimes, but the populace as well. These have hampered improved relations and will continue to do so. Both sides, for example, harbor opposition groups which operate against their respective regimes from inside Iran and Iraq. The Iraqis use the Iranian Mujahidin (the National Council of Resistance of Iran); the Iranians, the SAIRI. While both can cooperate tactically against common adversaries, such as the US, long term strategic cooperation is extremely unlikely. Indeed, supporters of Iraq in the region frequently cite the need for maintaining a unified Iraq as a bulwark against expansion of Iranian influence in the Gulf. This point is well taken. Should Iraq collapse, the US would face a very unfavorable balance of power in the Gulf, with Iran left the dominant power. But, as indicated in this paper, Iraq, despite its tribulations, is not on the verge of such collapse.

Iraq's relations with Syria have long been strained, and Syria now harbors Ba'th factions opposed to the regime and ready to support a change. However, the more important center for opposition to Iraq has now shifted to Jordan, where King Husain has clearly come to the conclusion that a change of regime in Iraq is necessary. To this end, the King has undertaken a number of steps to distance himself from the Iraqi regime, including consultation with Iraqi opposition leaders about holding a conference in Amman and allowing at least one opposition group, al-Wifaq, led by Salah Umar al-Ali, to open an office in Amman. And he has openly called for a change in Baghdad, including the possibility of a future federal regime that would satisfy Kurdish and possibly shi'ah aspirations. This concept has been controversial and generated some opposition from Iraqi nationalists, most of whom are sunni.

However, the King must be careful in taking these steps because not all of his population favors this change in policy toward Iraq, and because Jordan's economy is deeply integrated with that of Iraq. An abrupt end to oil shipments from Iraq to Jordan, and Jordanian trade with Iraq, without an adequate substitute from the Gulf, would cause serious hardship in Amman. Jordan is still Iraq's lifeline to the outside world although that link is weakening. Relations are now strained between Saddam Husain and King Husain, even if diplomatic and economic relations are retained. Equally important is the rivalry which has developed between Syria and Jordan over the regional role each will play in Iraq policy and in any change of regime in that country. Indeed, animosity between these two countries is now a serious factor in regional politics.

In the Gulf, Iraqis harbor considerable animosity toward Kuwait for triggering the situation which led to war, and to Saudi Arabia for siding with the US and inviting foreign forces into the Gulf. These feelings, probably widely shared among the population, will abate only slowly, and could lead to revanchist policies in Baghdad if sanctions are prolonged too long. Elsewhere in the Gulf, especially in the states of the lower Gulf (Oman/ the UAE) accomodationist feelings are growing, influenced mainly by the plight of the Iraqi population. Iraq will continue to play on these feelings in an effort to weaken the coalition's position in the Gulf. Egypt falls essentially into the same category. While under no illusions about Saddam Husain, the Egyptian government is concerned about the humanitarian issue and about future potential backlash from the Iraqi population if sanctions persist. Egypt would also like to restore some of the remittances sent from Egyptians who used to work in Iraq but have since come home.

Turkey, facing domestic political and economic problems of its own, has mixed feelings about the Provide Comfort regime, and would probably like to see a restoration of the status quo before the Gulf war in northern Iraq. However, it does not want a restoration of the refugee problem which produced the protection regime in the north, and sees some benefits to the continuation of PCII. Turkey would also like to see a restoration of the oil flow from the pipeline through northern Iraq, which brought Turkey much needed income. Turkey has restored diplomatic relations with Baghdad below the ambassadorial level, and is allowing truck traffic in and out of northern Iraq. Of all its neighbors, Iraq's relations with Turkey are closest to normal.

Meanwhile, the situation in the Kurdish controlled areas of the country has deteriorated, creating a political vacuum in the north. Feuding between the two major Kurdish parties, the Kurdish Democratic Party (KDP) led by Mas'ud Barzani and the Patriotic Union of Kurdistan (PUK), led by Jalal Talabani, led to serious fighting in 1994 and 1995. While a ceasefire is holding, a working alliance between the two in a unified government is not likely. In fact, the north is geographically split into two portions, the northwest, controlled by Barzani, and the southeast, along most of the Iranian border, controlled by Talabani. This has allowed the intrusion of elements inimical to US interests into this territory: the PKK, the IMK, and Iranian influenced shi'ah militias. The PKK (the Kurdish Workers' Party) is committed to an independent Kurdish state in areas of Iraq, Iran and Turkey and practices terrorism; Islamic Movement of Kurdistan (IMK) is an Islamic fundamentalist party gaining influence in Kurdish schools; and the shi'i groups are also Islamic in orientation and supported by Iran. This situation, as is well known, has led to increased intrusion of Turkish forces into northern Iraq, including unwelcome military operations designed to bring the PKK under control.

While Kurdish lives must be protected, some solution must be found to close this political vacuum in the north, pending the reintegration of the Kurdish population back into Iraq. The longer

reintegration will be.

This overview of where Iraq stands today and where it is likely to go in the future has not discussed the potential for an alternative regime in Baghdad. Such a change, while highly desirable, is likely to prove difficult and costly, and can only take place at the hands of Iraqis inside Iraq. Saddam is unlikely to go peaceable; hence his removal could only be accomplished by assassination, a coup, some kind of military action, or even an uprising. But such a change is highly speculative and, as indicated, difficult to accomplish. It cannot be ruled out, but neither can it be counted on. However, the US should be prepared to respond appropriately should such a change occur in the future.

The prospects for a replacement will gradually grow if sanctions remain, but so, too, will the potential for social and political collapse in Iraq. The Iraqi body politic is already unravelling under pressures from war, rebellion and economic deprivation, as well as the policies of the regime. Both Kurds and shi'ah are increasingly alienated from the central government. Meanwhile, the appointment of relatives and clan leaders to important military and security posts has weakened the cohesion of national institutions. A continuation of the current situation over a considerable period of time will further erode Iraq's unity as a state.

To encourage a change of regime, while avoiding Iraq's collapse, will take more than sanctions and a continuation of the current US policy. There are no easy--or cheap--solutions to the Iraqi problem, and the ability of outside powers to influence the outcome, while not nonexistent, is modest. Whatever goals the US expects from sanctions, unless we are prepared to do more--considerably more--the current situation is likely to persist in Baghdad for the foreseeable future.

Final Text
Committee on International Relations
U.S. Congress
March 28, 1996

Iraq's Weapons of Mass Destruction: A Continuing Challenge

David Kay[1]

Almost exactly five years ago the Gulf War ended with the Iraqi acceptance of the cease-fire terms set forth in United Nations Resolution 687. Other conflicts had come to an end with acceptance by the parties of a Security Council call for a cease fire, but Resolution 687 was different. It created a Special Commission, known as UNSCOM, with a broad grant of authority to ensure that Iraq surrendered for "destruction, removal, or rendering harmless, under international supervision" "all chemical and biological weapons and all stocks of agents and all related subsystems and components and all research, development, support and manufacturing facilities" and "all ballistic missiles with a range greater than 150 kilometers and related major parts, and repair and production facilities". For nuclear matters the resolution shared responsibility between UNSCOM and the International Atomic Energy Agency (IAEA) and required that Iraq give up for "destruction, removal, or rendering harmless" all material, subsystems, and components and research, development, support or manufacturing facilities related to nuclear weapons.

Iraqi Program

We now know because of the dogged determination of UNSCOM much about the extent of the Iraqi efforts to acquire weapons of mass destruction. These efforts included:

- The nuclear program had for ten years before the war involved a large clandestine effort – approximately $8-10 billion, more than 20 sites and more than 15,000 people – pursuing multiple routes to enrich uranium, directed toward producing nuclear weapons. Foreign assistance, both technical and equipment, from Western-based companies and the lax export control regimes operated by several of our Western allies played a major role in this program. Beginning in 1987 the Iraqis had also embarked on a testing program to field radiological weapons which would have had as their sole purpose rendering large areas uninhabitable and terrorizing civilian populations. Soon after their invasion of Kuwait, Iraq embarked on a crash program to strip the uranium out of the fuel in their safeguarded research reactor and further enrich it a secret centrifuge facility. The aim of this crash effort was to produce a single nuclear device by April 1991.

---

[1] Currently Senior Vice President, Hicks and Associates, Inc., a subsidiary of Science Applications International Corp. The views expressed in this testimony are solely my own.

•The biological weapons program was of astounding scope, including the production of thousands of liters of botulism toxin and of anthrax and lesser amounts of a number of less well understood, but still deadly, agents.[2] Iraq has now admitted 19,000 liters of concentrated botulinum toxin – with 10,000 liters filled into shells, bombs and missile warheads, 8,500 liters of concentrated anthrax, with 6,500 liters filled into weapons, and 2,200 liters of concentrated aflatoxin, 1,580 of which was weaponized. At the time of the Gulf War biological agents had been weaponized, and missiles, artillery shells and aircraft – Iraq now says 191 warheads – 161 bombs (100 filled with botulinum toxin, 50 with anthrax and 16 with aflatoxin) and 25 Al Hussein missile warheads (13 filled with botulinum toxin, 10 with anthrax and 2 with aflatoxin) – and an aerial spraying system designed to spray 2000 liters of agent over a target – stood ready to rain their deadly payloads onto civilian and military targets. Iraq has, at long last, admitted that prior to the Gulf War it had a full-scale offensive biological weapons program. At least two of the major biological weapons facilities were unknown at the time of the Gulf War. Of longer range concern should be the fact that Iraq was able to achieve such a remarkable biological weapons program after only five years of sustained work.

•The chemical program had not only produced hundreds of thousands of gallons of lethal mustard and nerve agents, but chemical weapons had also been used by the Iraqi regime on its own people as well as against Iran. The Iraqi Army at the time of the Gulf War – and still today – had more combat experience in employing chemical weapons than all the combined armies of NATO and the Warsaw Pact. The actual chemical weapons production capabilities of Iraq remain impressive, but still not fully understood. For example, until September 1995 Iraq had contended that its efforts to produce the advanced nerve gas, VX, had been a failure and that the production efforts had only existed between April 1987 and September 1988 and that the efforts had been a failure. Recent discoveries show that VX production had begun as early as May 1985 and continued uninterrupted until December 1990. Far from being a failed effort, it is now known that VX was produced on an industrial scale, with production possibly as large of 500 tonnes of VX. Even more disturbing is evidence that Iraq successfully mastered the production of a very stable form of VX for what they termed "strategic storage". Documentation obtained by UNSCOM in the last 6 months also shows that Iraq produced significant numbers of binary sarin-filled artillery shells, 122 mm rockets and bombs. Iraq has also admitted three flight tests of long-range missiles with chemical warheads. An April 1990 missile test involved a sarin warhead.

•Documentation now in the hands of UNSCOM shows that Iraq was actively planning and had actually deployed its chemical weapons for strategic offensive use in a surprise attack mode. The known deployment of their longer-range Al Hussein missiles for which their were at least 25 BW loaded warheads supports these documents. Iraq has also told UNSCOM that launch authority for biological and chemical warheads had been pre-delegated during

---

[2] Iraq produced lethal agents, such as anthrax, botulinum toxin and ricin; incapacitating agents, such as aflatoxin, mycotoxins, haemorrhagic conjunctivitis virus and rotavirus, and agents to attack crops, wheat cover smut.

the Gulf War. This launch authorization was to be used if Baghdad was attacked with nuclear weapons.

•Iraq's missile program is perhaps better known, if not better understood, as a result of the dramatic television footage of Scud attacks during the Gulf War. This well funded, and foreign assisted program had already given Iraq the ability to attack, ultimately with its weapons of mass destruction, all of the states of the Middle East and of U.S. forces that might come to the aid of these states. In addition to the 819 SCUD missiles Iraq obtained prior to the Gulf War from the former Soviet Union, it has now been discovered that Iraq successfully produced and tested similar missiles that it had produced on its own. UNSCOM reported in October 1995 that "*At the end of September 1995, the Commission obtained new information on Iraq's testing activity, including both static and flight testing of Scud variant missile systems; several new designs of longer-range missile systems; development and testing of new liquid-propellant engine designs; development and successful testing of a warhead separation system; an indigenous design of a 600 mm diameter supergun system; and three separate flight tests of chemical warheads. Some of the previously undisclosed designs included missiles that could reach targets at ranges of up to 3,000 kilometres. The commission also obtained information of a special missile under design for delivery of a nuclear explosive device.*"[3]

What Remains

The technical core of the Iraqi weapons establishment remains largely intact. This is the same establishment that succeed in producing massive amounts of chemical and biological weapons and missiles capable of reaching throughout the region and that was on the verge of producing nuclear devices at the time of the Gulf War. The Iraqi scientists and engineers remain at the same institutions that employed them before the Gulf War – only the cover stories have changed. The biological weapons program is now described as a program to develop biological pesticides, and the nuclear program is described – as indeed it was described before the Gulf War – as devoted to only peaceful nuclear activities. In the missile area, the cease-fire resolution allows Iraq to continue to produce missiles of less than 150 kilometers range. Iraq has used this loophole to cover efforts to produce even longer range missiles. Recent discoveries have found that Iraq has continued to purchase from abroad significant missile-related equipment, including advanced guidance instruments from Russia, and has conducted a clandestine testing program to produce longer range missiles.

UNSCOM has supervised an impressive effort to destroy the physical infrastructure that directly supported these programs, but these efforts have been at most temporary setbacks. The real heart of any modern weapons development program is, however, not bricks and machinery, but dedicate, technically capable personnel. Less has been destroyed than is generally understood. In the case of Iraq, we have had to come face-to-face with the fact that modern weapons are the product of the very same industrial infrastructure that supports an industrial civilian economy. In the chemical, biological and, even, the nuclear area considerable dual use capability still exists in the permitted industrial infrastructure. For example, UNSCOM has identified 62 chemical sites and 18 universities, colleges and

[3] UNSCOM Report, S/1995/864, 11 October 1995, para. 42.

research institutes that have sufficient capabilities to contribute to a chemical weapons program that they must be monitored. In the biological area 79 sites have been similarly identified, including five pharmaceutical facilities, thirty-five research and university sites, 8 diagnostic laboratories and thirteen breweries, distilleries and dairies.

Future Prospects

It should now be clear to all that the Iraqi efforts to acquire nuclear, chemical and biological weapons and missile delivery systems for them did not end with the Gulf War. It should now be equally clear that Iraq freely and repeatedly – both before and after the Gulf War – has broken international obligations that it had accepted not to acquire such weapons. Iraq has continued for over a decade both massive efforts to acquire weapons of mass destruction and extensive deception efforts to defeat international efforts to unmask and destroy this program. Just in the last several months new evidence has come to light that Iraq is continuing to secretly, and in violation of its obligation under Resolution 687, continuing to import equipment to extend the range of a new class of Scud-type missiles, produce additional chemical and biological weapons, and continue work on nuclear weapons-related projects. Even after five years of the most intrusive arms inspection regime ever to be imposed on a country significant uncertainty remains as to the true extent of the Iraqi weapons program and astounding revelations – such as those of its biological weapons program – continue to arise.

The cease-fire that ended the Gulf War envisaged that Iraq would declare its stock of prohibited weapons, these would then be eliminated by UNSCOM and a long-term monitoring system administered by UNSCOM and the IAEA would ensure that Iraq did not rebuild weapons of mass destruction. This might have been an elegant solution to a war that ended with the aggressor still in possession of a vast arsenal of lethal weaponry – *except that it required two conditions that did not turn out to be true.* First, Iraq would have to provide UNSCOM and the IAEA with a complete list of all of its prohibited weapons and their location. Second, Saddam and his regime would have had to be replaced by a regime prepared to live in peace with its neighbors. As events have shown, Iraq has filed to date with UNSCOM more than a dozen "full, final and complete disclosures" of its prohibited weapons – and each one has been shown by subsequent events to be false. Iraq's lack of cooperation with the weapons inspection process has been the one constant through out these last five years. Iraqi behavior is unchanging. In the months immediately after the end of the Gulf War I lead teams that had shots fired over their heads as they chased an Iraqi convoy moving secret nuclear equipment and a team that spent four days surrounded by Iraqi troops in a Baghdad parking lot, other teams as recently as this month were on five separate occasions denied for as long as 18 hours access to Iraqi facilities. Intimidation, physical attacks and threats have become a constant element of weapons inspections in Iraq.

To just take the most recent report of UNSCOM to the UN Security Council as an example of the continuing effort of Iraq to shield its proscribed weapons activities, consider the following UNSCOM conclusions[4]:

- "Iraq has admitted that it had been withholding important information on its missile programmes....Iraq's account concerning missile warheads, including those for the delivery of weapons of mass destruction, lacks consistency and the necessary evidence for verification....The

[4] UNSCOM Report, S/1995, 17 December 1995.

Commission believes that Iraq is still withholding important documents related to proscribed activities and has not provided them in the new disclosure."

• "The new information obtained by the Commission since August 1995 clearly shows that Iraq's chemical weapons programme was more developed and wider in scope than had previously been admitted. Thus the March 1995 chemical full, final and complete disclosure and subsequent amendments were rendered invalid and the Commission requested that Iraq submit a new disclosure....Based on information available to it, the Commission believes that there were further activities relating to the development of chemical munitions that have still not been disclosed, including foreign assistance."

• "Of note is the recent admission by Iraq of its 1988 plans to relocate the production of chemical precursors to civilian chemical facilities, which has confirmed the Commission's approach taken with respect to its monitoring system. The Commission's monitoring team continues to discover non-declared dual-use equipment in Iraq. Under the monitoring plan, Iraq is required to declare all such dual-use chemical manufacturing equipment. Iraq is still unable to provide complete semi-annual declarations required by the monitoring plan in the chemical field."

• "The draft full, final and complete disclosures of November was Iraq's third official declaration in the biological weapons area *submitted this year*...the November draft contains major deficiencies in structure and content. Serious gaps and omissions exist in the declaration and in the documentary support, especially related to biological warfare agent and munition production, munition filling and the destruction of weaponized and bulk agents. In a number of cases, Iraq's declarations appear to downgrade the scope and the results of research, development and production efforts related to certain biological warfare agents....The Commission is especially concerned by Iraq's continuing failure to provide definite figures on amounts of biological weapons agents and munitions produced, weaponized and destroyed. In the absence of such figures, accompanied by supporting documentation, it is not possible to establish a material balance of proscribed items, nor is it possible for the Commission to provide an assessment to the Security Council that Iraq does not retain biological weapons agents and munitions."

Faced with five years of deception and lack of compliance, what are the chances of the monitoring system successfully working? The short answer is that the verification system that has been put in place has very little chance of working if Saddam's regime continues its constant cheating and deception. The monitoring system did not detect the post-Gulf War Iraqi efforts to develop new missiles nor did they unearth the previously unknown biological weapons program. Both of these came to light as a result of the defection of two of Saddam's son-in-laws, and given their ultimate fate it would be unwise to count on a dependable supply of equally knowledgeable, but naively stupid, defectors.

UNSCOM, itself, has said that confidence in the effectiveness and comprehensives of its long-term monitoring system depends crucially upon a full knowledge of Iraq's prohibited programs. Effective monitoring requires: "Possession by the Commission of a full picture of Iraq's past programmes and a full accounting of the facilities, equipment,

items and materials associated with those past programmes, in conjunction with full knowledge of the disposition of dual-purpose items currently available to Iraq, the technologies acquired by Iraq in pursuing the past programmes, and the supplier networks it established to acquire those elements of the programmes that it could not acquire indigenously...Clearly, knowing where to focus effort requires knowledge of what Iraq would have achieved in its past programmes....A necessary prerequisite for a comprehensive solution is that Iraq demonstrate a full openness and a manifest willingness to cooperate in all its dalings with the Special Commission."[5]

All the evidence to date indicates that UNSCOM's own preconditions for an effective monitoring system have not been met. The UNSCOM monitoring system is certainly not without considerable value. At the very least it forces the Iraqi's to adopt expensive deception practices, slows the pace of Iraqi efforts to expand its weapons arsenal, threatens exposure of continuing efforts of foreign suppliers to support illicit weapons efforts, and provides a ready mechanism to pursue new information that may develop from defections or other sources. But no one should believe that the monstrous efforts of Iraq to obtain and use nuclear, chemical and biological weapons has been eliminated. The consistent pattern of Iraqi behavior has been to bend every effort to maintain or extend its capabilities to threaten its neighbors with chemical, biological and nuclear weapons delivered by long-range missiles. Charm offensives come and go, but the constancy of Iraq's efforts to protect its prized programs for terror and intimidation do not change.

We should also recognize that the current case of Iraq raises serious issues that go considerably beyond Iraq. The analytical framework that undergirds the drawing of U.S. intelligence estimates of future threats no longer matches the realities of the world we are entering. The U.S. over the course of the Cold War built up an elaborate methodology for estimating the probable dimensions of Soviet behavior. This methodology adapted itself well to competition with an implacable, but risk avoiding and lumbering bureaucratic opponent such as the Soviet Union. Even during the Cold War, however, U.S. intelligence estimates were often wrong when the Soviets chose to "act out of character" – for example, stationing missiles and nuclear arms in Cuba, invading Czechoslovakia and invading Afghanistan. This process failed again in the case of Iraq where massive foreign technology assistance was fused with a leader willing to run the most extreme of risks. The intelligence challenges of today and tomorrow, to name but a few, are to understand the terrorist threat, the leakage of nuclear and other advanced arms from the former Soviet Union, the pace at which long-range missiles, biological and nuclear weapons might spread and the likelihood that the Chinese might choose to use military threats and actions against their neighbors.

The U.S. now faces a period when the focus of intelligence that guided its Cold War efforts has been lost. In a very real sense Iraq should have warned us that we have lost our capability for strategic warning. There is no agreed, validated threat on which to focus and the capability milestones that guided the assessment process of Soviet intentions and weapons development have all crumbled. In my view there is an urgent need for a high-level, integrated assessment of the U.S. intelligence estimation process before we are surprised again. It should not be forgotten that we were extremely lucky that Saddam chose to risk a confrontation with the U.S. at exactly the time when U.S. military capabilities assemble to face the Soviets were at their maximum strength and freed of any serious Soviet military threat. If Saddam had waited only a few years the U.S. would have faced a far greater challenge in bring a similar level of military might to bear.

---

[5] UNSCOM Report, S/1995/864, 11 October 1995, para. 3 and 116.

Dr. Christine Helms
Director of Country Analysis
Petroleum Finance Company, Washington D.C.

Testimony to the House Committee on International Relations
"US Policy Towards Iraq"
March 28, 1996

With regard to today's hearings on "US policy towards Iraq," I have been asked to address issues related to the possibility of a limited Iraqi oil sale under United Nations Security Council Resolution 986, its possible impact on the oil market, and the implications of Iraq's oil for the US and global communities.

By way of a brief review, Iraq negotiated the terms of a limited oil sale for humanitarian reasons in 1992 and 1993 under UNSCR 706 before ultimately rejecting it. Until recently, it had refused even to negotiate the terms of implementing a similar sale under UNSCR 986. This was partly because of the belief that the terms of UNSCR 986 were more onerous than those of UNSCR 706. To a much greater extent, however, this policy was predicated on the belief that it was preferable to hold out for a complete lifting of UN sanctions. This was for several reasons. Iraq felt on several occasions that Rolf Ekeus, head of the UN Special Commission (UNSCOM) responsible for dismantling and monitoring Iraq's weapons programs, was close to submitting a favorable report to the UN Security Council on the status of his mission. This was the primary precondition for the lifting of sanctions. Moreover, there was the general belief by Baghdad that the US, which has hoped to see Iraqi President Saddam Hussain ousted, would use Iraq's acceptance of the one-time sale as a means to maintain full sanctions indefinitely.

Changing Calculus of a Limited Iraqi Oil Sale

That being said, Iraq's decision in mid-January 1996 to accept talks on ways to implement UNSCR 986, also now referred to as an "oil-for-food" plan, was not unexpected. It resulted from the convergence of numerous factors which altered the premise upon which Iraq's dealings with the UN had been based. The calculus first changed in August 1995 when Iraqi President Saddam Hussain's two sons-in-law -- Lieutenant-General Hussain Kamel Hassan and Lieutenant-Colonel Saddam Kamel Hassan, both brothers -- sought political asylum in Jordan, claiming that they had brought with them new evidence of Iraq's weapons' of mass destruction. The defectors' claims had several immediate consequences for Baghdad. They indefinitely pushed back the goal post for the lifting of sanctions since Ekeus would have to verify the claims. They prompted France and Russia to suspend their efforts to ease or lift the UN sanctions against Iraq. Moreover, since the defections were widely interpreted in the West as a weakening of Saddam Hussain's authority, many Iraqis feared that the US would be even more resolute to retain the sanctions regime indefinitely, even to the extent of using its veto power in the UN Security Council, in the hope of finally toppling the Iraqi government.

Meanwhile, against this uncertainty, the domestic situation in Iraq was under increasingly severe strain after five years of sanctions. International relief agencies, including those of the UN itself, acknowledged in 1995 that the impact on the health of the Iraqi people after five years of sanctions had entered a new, more devastating phase. It was noted, for example, that some 2.4 million children, born after the sanctions began in August 1990, were at risk of death and serious malnutrition. Equally notable, there has been a corresponding rise in crime as well as an exodus from Iraq of its more educated and skilled people for jobs elsewhere. Moreover, the situation in northern Iraq has significantly

deteriorated since mid-1994 as growing strife among Iraq's Kurdish factions has enabled Turkey's militant Marxist Kurdish Workers' Party (PKK), which wants to carve an independent Kurdish state out of Turkish territory, to establish bases inside Iraq along Turkey's border. Iran has also continued to assert its interests by promoting pro-Islamic Kurdish groups there.

Another important change was occurring in the larger Middle East equation from Baghdad's viewpoint. Jordan's King Hussain was adopting an increasingly critical stance to the Iraqi regime, with which he had formerly close ties. There are many reasons why this has occurred, but they are mainly tied to the King's desire to end his own and Jordan's regional and international isolation, which were the result of the King's advocacy of a peaceful resolution to the Gulf crisis after Iraq's 1990 invasion of Kuwait. The King made a significant move toward this end by declaring an end to the state-of-war with Israel in July 1994, which ultimately led to a peace treaty with Israel, debt relief for Jordan, and a warming in US-Jordanian relations. The defections of Saddam Hussain's two sons-in-law, however, provided significant new opportunities for King Hussain. Blaming the harsh conditions in Iraq on Saddam Hussain, he called upon Iraqi opposition groups to unite, suggesting that there should be a federation of Iraq's Shiite, Sunni and Kurdish communities.

More importantly, however, the defections prompted the US to launch an effort to mediate the estrangement between Jordan and the lower Arab Gulf states. In January 1996, Saudi Arabia declared that it was willing to supply Jordan's oil-import demand. The King responded by saying that Jordan would continue to import Iraqi crude, but that he hoped to diversity Jordan's supply sources. Jordan now depends on Iraq to provide some 75,000 b/d of crude oil and petroleum products, based on an annual bi-lateral agreement which was renewed in late 1995. However, Jordan also announced in January that it was cutting its 1995 $400 million trade with Iraq by half. From Baghdad's perspective, there was therefore the growing prospect that the King was moving to break all ties with Iraq, hence severing Iraq's main lifeline to the outside world. Since January, the King has subsequently allowed at least one Iraqi opposition group to open an office in Jordan. New tensions arose this month when Jordan announced that 34 US fighter aircraft would begin in April a two-month deployment in Jordan, during which the US planes would fly surveillance over Iraq.

Another element pressuring Iraq in early 1996 was occurring at the UN. When the French proposed a new resolution in January to study the impact of the sanctions on the Iraqi people, the US and the United Kingdom agreed, but only if the resolution was broadened to include human rights in general. While Iraq's willingness to engage in the oil sale dialogue temporarily sidelined the resolution, Iraq viewed it as yet another forum under which the examination of the "legitimacy" of Saddam Hussain's leadership could extend sanctions indefinitely by encumbering it in additional, inter-linked resolutions with which it could not hope to achieve full compliance in the near- or even medium-term.

In sum, there were many factors which had changed to alter the calculus upon which Iraqi officials were debating the acceptance of a limited oil sale. They were weighted on the side of a growing body of Iraqi officials who had been privately arguing for several years that acceptance of a limited oil sale would be a means to demonstrate at least partial Iraqi compliance with UN resolutions. It should also be noted that Baghdad may well have felt that it would receive a more favorable hearing on the terms of the oil sale due to other changes in the regional situation. Not least of these was the growing support even in the lower Arab Gulf states for easing the sanctions on Iraq. This support first occurred on the popular level, but latterly even among Arab Gulf leaders. Jordan's moves to support Iraqi opposition groups had also to an extent reinforced these feelings among some regional states, such as Egypt, since Arab states have traditionally been opposed to interference in the internal affairs of their neighbors.

Substance of UN-Iraq Oil-Sale Talks

The fact that Iraq has agreed to a dialogue over the oil-for-food sale based on UNSCR 986, even if the terms are ultimately rejected, is an indication that a significant psychological barrier has been crossed in Baghdad. In the past, Iraq has rejected any dialogue over UNSCR 986 on many grounds. The various "leakages" from the total sale have been one issue. The plan would allow oil exports worth a $2 billion at prevailing prices to be sold over a six-month period. Some 30% of this sale would be designated for Gulf-war reparations and up to another $50 million for ongoing UN programs, such as UNSCOM. Another $260 to $300 million would be allocated for humanitarian purchases destined for Iraq's predominantly Kurdish north. The remainder -- 50% of the total or $1 billion over six months -- would be allocated to Iraq for humanitarian purchases.

Iraq has previously expressed the concern that its half of the total oil sale would be insufficient for the humanitarian needs of its population of 20 million. After five years of sanctions, it was also argued that food and medicine alone could not reverse the overall decline. The deterioration of Iraq's basic infrastructure, notably water and electrical facilities, are integral to the humanitarian situation. Iraq, for example, has argued that improvements in the electricity grid are necessary for running the hospitals (i.e., refrigeration for medicine, incubators and operating rooms). During the past year, areas in Baghdad have experienced electricity cuts for periods of several hours. Elsewhere, there have been cuts lasting 10 to 12 hours.

Another related issue has been the purchase of equipment needed to repair damage to the oil infrastructure. In addition to oil pipeline and pumping facilities which have sustained damage, it is anticipated that Iraq will have to make improvements in its electricity grid in order simply to pump its oil. Though UNSCR 986 allows such purchases, it may well be that Iraq must purchase that equipment from its share of the humanitarian oil sale proceeds. UNSCR 986, however, does contain a provision whereby the UN Secretary General can increase the amount of oil Iraq sells if, after receiving a report from UN observers after an initial period of 90 days, he determines it is insufficient to meet Iraq's humanitarian needs.

Another previous Iraqi objection to UNSCR 986 has been that a "larger share" of the oil exported must be shipped through the Iraqi-Turkish pipeline. The US, which does not want to be seen as an obstacle to the oil sale for humanitarian reasons, has advocated this route because it has hoped that Turkey would derive economic benefit from transshipping the crude. Iraq had opposed this on the ground that it should be able to determine its own export outlets. This was partly due to uncertainty about a dedicated market as well as to the difficulties of protecting oil-pumping stations and pipelines in the fractious Kurdish regions in both Iraq and Turkey. Moreover, while Iraq has repaired at least one off-shore oil loading facility in the Gulf and thus could begin some shipments immediately, there has been tremendous speculation about the exact condition of the 655-mile long Iraqi-Turkish pipeline, which extends from Kirkuk in Iraq to Turkey's Dortyol terminal in the Mediterranean.

Though the details of the UN-Iraqi oil sale talks are not precisely known, it appears that Iraq has now accepted that a larger share of its oil be exported through Turkey. This is most likely due to two reasons. First, Iraq may now have received an expression of intent from dedicated buyers of its crude in Europe. If so, it is also possible that Iraq could obtain .30 to .40 cents more per barrel for its crude in the Mediterranean than Gulf oil shipments. In any case, some oil experts believe that Iraq, whose oil theoretically costs $2 a barrel to produce, would in any case have to ship 300,000 b/d to 350,000 b/d through the pipeline in order to make it economically viable.

In addition, there are other signs that Iraq is seriously considering the Turkish export route. Even prior to its expressed intention to enter into negotiations over the oil sale, Iraq indicated that it would again supply electricity to northern Iraq. It is believed that this announcement coincides with a private dialogue between Baghdad and some Kurdish factions that may have been ongoing for months since Kurdish cooperation would be necessary for safely transshipping the crude. Massoud Barzani, leader of the Kurdish Democratic Party (KDP) who controls the Iraq's northern area and the border posts into Turkey, permitted Iraqi Oil Minister Amir Rashid safe transit through the area under his control during March for negotiations in Turkey over the pipeline. Though Barzani has denied meeting Rashid, he has said he will assist in the safe transshipment of Iraqi crude. Indeed, it was announced last week that a team of Iraqi oil experts had been allowed into the region to empty out a section of the pipeline in preparation from making a test run should a UN-Iraqi oil deal be accepted.

In this regard, it should be noted that some Kurdish groups have increasingly come to feel that the deteriorating conditions in northern Iraq are untenable and will remain so as long as there continues to be intense conflict among their own multiple Iraqi Kurdish factions. Iraqi Kurds have also been concerned foremost about the PKK's presence in Iraq, which in its militant quest to establish an independent Kurdish state could supplant their own authority, and latterly, Islamized Kurdish groups. The maneuvering of these groups is also altering Kurdish relations with non-Kurdish groups in northern Iraq. Notably, this past week PKK leader Abdullah Ocalan issued an implied warning to the US and Germany not to side with Turkey or face the consequences. He also threatened to take his guerrilla war to Turkey's urban areas. The PKK has stated that it views the Turkish-Iraqi pipeline as a legitimate target of its campaign to establish an independent Kurdish state.

According to both the head of the UN negotiating team, Hans Corell, and the Iraqi team leader, Abd al-Amir Anbari, they had reached broad agreement on all issues except one when the second of two rounds of oil-sale talks concluded in mid-March. The exception -- the means of distributing humanitarian supplies in northern Iraq and the related issue of common purchasing of humanitarian goods for the north and the rest of Iraq -- has always been the most contentious from Iraq's standpoint. The UN, initially arguing that the Kurds needed protection from Baghdad, have wanted to oversee the disbursement of supplies although the continued infighting of the Kurdish factions may have dampened that resolve. Baghdad has viewed any allocation which is not under the auspices of the central government as an infringement on Iraq's sovereignty, an attempt to undermine Saddam Hussain's authority, and a threat to Iraq's territorial unity because it would encourage the creation of an independent Kurdish state. Iraq has argued that a "fair and equitable" distribution can be achieved on a basis similar to a coupon system now in place in southern Iraq in which licensed Iraqi merchants pick up the goods and distribute them.

Whether some formula can be found to accommodate both sides remains to be seen. Nonetheless, it was the lack of agreement on this point which led to the recent conclusion of the talks. Anbari returned to Baghdad for further discussions. Corell is expected to wait until UN Secretary General Boutros Boutros Ghali returns from Asia on April 5. Barring another unforeseen circumstance, the UN-Iraqi dialogue is again set to resume on April 8.

Oil Price Implications

The amount of oil Iraq is allowed to export, as mentioned earlier, will be contingent upon prevailing prices at the time of the sale. Assuming prevailing market prices at the time of the sale to be $20 and hypothetical stability of the market, Iraq will be exporting some 600,000 b/d to 700,000 b/d. Certainly, factors other than the Iraqi oil sale will influence the oil market. Nonetheless, a limited Iraqi oil sale can be expected to have several anticipated results.

The oil market will initially react to an announcement of a UN-Iraq agreement long before Iraqi oil comes onstream. The impact of the announcement will depend on its suddenness and prevailing prices at the time. If prices have already fallen in anticipation of a breakthrough in the negotiations, then the announcement itself might not cause much further weakness. If there has been no price adjustment, crude oil prices could drop by $2 a barrel or more.

The chaotic state of the market could last from several days to a few weeks, depending on how Organization of Petroleum Exporting Countries (OPEC) responds. OPEC has, however, said frequently in the past that it intends to hold a special meeting as soon as possible after the announcement of an agreement on the oil sale. Such a meeting would likely push prices back up, perhaps by one-half of the initial loss. Confronting the possibility of lower oil prices and a resultant loss in revenues, OPEC members are likely to accommodate Iraq. Such a decision would push prices further up, perhaps to levels higher than the initial starting point. This scenario would eliminate one of the most persistent bearish factors weighing over the market during the last few years -- the uncertainty surrounding Iraq's re-entry to the oil market -- since once it's over, it's over.

The public debate which will ensue is how OPEC members should cut production to make room for Iraq. Some argue that there should be a pro-rata production cut across the board. Others argue that the Saudis, who increased their production by 3 million b/d during the Gulf crisis, should take the biggest cut. Privately, however, the real issue is that OPEC members are currently exceeding their combined quota of 24.5 million barrels daily by 1.2 to 1.5 million barrels daily, or nearly twice as much as Iraq's initial projected oil sale. Therefore, stricter adherence to OPEC quotas need not necessitate "quota cuts." However, even if cheating persists, the impact of Iraq's re-entry to the market may, like that of Kuwait's re-entry after the Gulf War, be brief until the market absorbs the impact. At present, oil prices are fairly robust.

Iraqi Oil Production and Export Capacity

Another element that will affect the oil market is what global demand will be when Iraq enters the oil market. This is obviously tied to another question: how soon Iraq will be able to resume oil shipments once an agreement is reached? Estimates on the latter vary from one to six months. The wide divergence is due to two factors. One are the complications of establishing a monitoring mechanism for the oil sales and humanitarian purchases. The second reason is simply that the condition of Iraq's oil facilities and export outlets remains uncertain. Below are some factors which may act as constraints on Iraq's oil exporting ability.

Monitoring the Oil Sales

It is to be presumed that once an agreement is reached, given the humanitarian nature of the sale, a political will exists on both the UN and Iraqi sides to facilitate implementation of the plan. However, the "memorandum of understanding," or whatever the initial agreement will be termed, merely comprises the skeletal framework of key issues: agreement on the establishment of an escrow account, monitoring of oil exports, and supervision of purchase agreements. Yet to be dealt with are the critical issues of the quality of crude, the timing of crude oil deliveries, volumetric issues, licensing for crude purchases, and demurrage. Under the earlier oil-sale UNSCR 706, one concern was that the means of monitoring the sales was too bureaucratically cumbrous, thus subject to disruptions at any point.

That being said, while some of these processes may be complicated, they are "do-able." Monitoring the amount of oil exports, for example, is not difficult assuming access to crucial points along Iraq's export infrastructure in order to measure the volume of crude flow on a regular basis.

Gulf War Damage to Iraq's Oil Infrastructure

Iraq's crude oil output dropped to about 100,000 b/d in March 1991 because of bomb damage to processing and transportation facilities though its overall average for the year was 275,000 b/d. In the south, collection centers, storage facilities and pump stations, gas-oil separation units, as well as a majority of the 22 de-gassing stations had been hit with a loss of 60% to 80% capacity. In the north, extensive damage was done to the K-3 pump station and storage facility at Haditha, which is critical to the oil sector's transportation infrastructure network. Also targeted was pump station IT-2 on the Turkish pipeline and desulfurization plants at Kirkuk field.

Post-War Reconstruction

Despite extremely limited resources, the rehabilitation of the oil sector following the 1991 Gulf War has been impressive. Present sustainable production capacity is higher than estimates of 550,000 b/d to 700,000 b/d currently produced (note that Iraq's domestic consumption is estimated at 400,000 b/d or more).

Iraq has estimated that its crude oil production capacity is now 3 million b/d, close to the pre-Gulf War capacity of 3.5 million b/d. It should be noted, however, that it is unclear whether Iraq's export capacity is as high as that. In any case, it is unlikely that sustainable output capacity during the first six months will be greater than 1.5 million b/d to 2.0 million b/d. Increases would at the beginning be made in incremental stages.

Many of Iraq's fields, for example, have been shut in for over five years. Production wells, pumps, gathering centers, gas oil separators and pipelines are in a state of disrepair. Those that have been fixed, are untested. In addition to unrepaired damage to surface facilities, there may be reservoir problems in many of the fields, which are roughly located in two areas of the country, southeast of Baghdad and north of Baiji. Iraq has, as one example, had to reinject surplus fuel oil (a byproduct of gasoline production) back into the fields. It is unknown what impact this has had on the quality of the crude.

In the southern fields, there is an extensive water injection network, that is where treated water is injected into the reservoir to maintain reservoir pressure in order to boost crude oil flows. During periods of normal operations, chemicals are utilized to remove oxygen, bacteria, suspended solids and dissolved solids from the water. These chemicals have been banned under the UN sanctions. As a consequence, the water injection network has not been in operation. As long as crude production is at fairly low levels, the effect on reservoir pressure due to the lack of water injection is probably small. Should output be boosted without water injection, long term damage to the reservoirs could be severe.

There may be similar reservoir problems in the northern fields. The Kirkuk field also utilizes a water injection system, which would be subject to the same operating constraints listed above for the southern fields. With the exception of the K-3 pumping station at Haditha, which is at the center of Iraq's oil distribution system, the IT-2 pumping station near Mosul for the Turkish pipeline and the Kirkuk desulfurization plant, the northern production infrastructure was less badly damaged than southern facilities. It is believed that the IT-2 pumping station is at present circumvented with a temporary line.

Export Routes

Though Iraq has an important export pipeline through Saudi Arabia, there are only two routes for Iraqi oil exports under consideration in UNSCR 986. Iraq's ability to begin and then sustain exports depends on their present condition and the ability to obtain spare parts for their repair in a timely manner. The first export route is expected to be one of two of Iraq's offshore oil-loading facilities in the Gulf: Mina al-Bakr. Repairs since the Gulf War are believed to have raised its loading capacity to 750,000 b/d. Its

design capacity prior to the Iran-Iraq war was 1.6 million b/d. An additional problem here is that it isn't possible to increase the flow rate in the pipeline to Mina al-Bakr since it is gravity-fed. It is also unclear whether there has been restoration of equipment to monitor flow rates and the quality of exports.

The second export route is the 655-mile long Iraqi-Turkish pipeline which terminates at Dortyol near Ceyhan in the Mediterranean. This pipeline is composed of two parallel pipelines, one of whose pre-war capacity was estimated at 1.1 million b/d and the other at 500,000 b/d. Though Turkish authorities have said the line is now ready to ship some 750,000 b/d, there has been no independent verification of that. In any case, prior to and concomitant with determining the condition of the pipeline, will be the process of flushing some 27 million barrels of crude oil currently in the pipeline. Under "ideal" circumstances, flushing could take a minimum of 40 days.

This being said, the condition of both lines is uncertain. There has likely been a buildup of heavy deposits on the inner wall of the pipeline due to the crude oil which has been standing in the pipeline for five years because of water and entrained sediments. Moreover, the oil in the pipeline is a medium- to high-sulfur crude which, in reaction with a separate water column, may have had deleterious effects on the integrity of the pipeline wall. In a worst-case scenario, whole sections of pipeline might have to be replaced. In any case, it is believed that the condition of the smaller line is much worse since it was cannibalized after the Gulf war to repair damage on Iraq's side to the 1.1 million b/d pipeline.

Operational Uncertainties

Even if Iraq is able to bring online 750,000 b/d immediately, it may not be able to sustain that at operational levels. The reason for this is the condition of the physical plant for the oil fields and the health of the reservoirs. Much of this will depend upon whether Iraqi oil officials have conducted an extensive program of rolling production increases and cuts across the oil sector (shutting in and opening production wells alternately in different parts of given fields for pressure maintenance and determination of the condition of the supporting infrastructure). If not, it could take a year to conduct a systematic inspection of the health of the production facilities. If there has been extensive well-bore damage, a number of production wells may have to be re-drilled, or at least completed.

Security Of Export Routes

Though the prospect of shipping oil through the Iraqi-Turkish pipeline has actually caused a warming of relations between Baghdad and Kurdish leader Massoud Barzani as mentioned earlier, security will remain a major consideration for both Iraq and Turkey. In the past fifteen years, pipeline and oil facilities have often been targeted by Kurdish guerrilla groups, in particular by the militant Turkish PKK, which has already threatened the line if it reopens. Since mid-1994, Iraqi Kurdish factions in northern Iraq, unable to govern together, have also been fighting each other for control over revenues, such as dues on border trade and other taxes, and territory. It is possible that other Iraqi Kurdish leaders, such as Jalal Talabani who heads the Patriotic Union of Kurdistan (PUK), would view the oil facilities and pipelines as a legitimate target simply because of his rivalry with Massoud Barzani.

Worst-Case Scenario for Iraq and the Middle East

There is no empirical evidence of a correlation between Saddam Hussain's ability to maintain his hold on power and UN sanctions. There is, however, a correlation between the sanctions and the overall deterioration in the social and humanitarian conditions in Iraq. Despite US pressure to maintain sanctions for its own strategic reasons, as presently defined, there is likely to be growing pressure to allow a limited oil sale or even to ease sanctions for humanitarian reasons and because of the UN's desire to obtain funding for programs such as UNSCOM and the UN compensation fund. The recent pressures

on the Arab-Israeli peace process, signs of other unrest in the Middle East, and a desire to receive compensation from the war will enhance the desire of many countries in the region for a return to normalcy. Indeed, as mentioned earlier, we have already seen some leaders in the lower Arab Gulf states make that call.

A worst-case scenario exists for the region and the West that continuing sanctions could cause Iraq to fragment along under religious, ethnic, and geographic lines. It is unlikely that a greatly weakened government of Iraq would be able to maintain its territorial integrity. Under such circumstances, given the pluralism characterizing Iraq's 20 million people and its geographic size, it is implausible that any outside power could be exerted that could effectively "social engineer" a favorable outcome, either for those in the region or the West. Iraqi opposition groups, who are themselves fragmented along similar lines and supported by competing outside powers, would be powerless to prevent this. A greatly weakened Iraqi military might also not be able to prevent this. Instead, what is likely to occur is that Iraq's neighbors would all be drawn into the political void, opening the prospect of hostilities from the Turkish-Iranian border south into the Gulf itself.

Both before and after that happens, there is likely to be greater instability and unpredictability in the region as a whole. Socio-political identifications in the region which exist alongside those of state affiliations -- such as Arabism, Islam, and Kurdish nationalism -- percolate readily across state boundaries today. It is this porosity which makes the Middle East nation-state system as a whole particularly prone to sudden, often dramatic shifts.

Reincorporating Iraq into the Regional and Global Communities

Sooner or later Iraq will re-enter the world's oil market. It cannot be kept out indefinitely simply because it is potentially one of the world's last big players in the energy game. Its reserves are second only to those of Saudi Arabia. However, the fragmentation of Iraq would make it difficult, more expensive and dangerous to exploit those reserves. If the US remains opposed to shipping oil through Iran, this will almost certainly complicate strategies now under debate for moving crude from Central Asia as well.

What is unique about Iraq is the vast array of development projects both for previously discovered reserves and the enormous potential for increases in output capacity. This wealth of potential occurs in a region where most of the large reserve countries are either partially or completely closed to foreign oil companies. Furthermore, this array of opportunities occurs at the same time that many major oil companies and large independents have turned away from frontier exploration projects, choosing instead to focus on developing previously discovered reserves and exploration in mature areas. Much of the world-wide exploration effort over the past decade has met with disappointment. There have been notable exceptions in the last several years, such as Colombia and the Gulf of Mexico, but none of these areas contain the potential of the Iraqi oil sector. Although very attractive areas for exploration exist in Iraq, the existence of already discovered reserves removes the exploration risk that foreign oil companies face elsewhere. Moreover, the large size of the Iraqi population (which is more than the combined populations of all the lower Arab Gulf states), its renewable water supplies, and its need for infrastructural development, make it an extremely attractive venue for a wide-range of foreign companies.

Notably, foreign involvement in Iraq's oil sector is not new. Foreign companies were active in Iraq's oil sector before and during the war with Iran, and after the cease-fire in 1988. Starting, in 1967, Iraq entered into a series of service contracts and cooperation agreements with foreign companies, which was

a departure from the previous concession agreements. Even after the total nationalization of Iraq's oil industry in 1975, several foreign oil companies continued their activities under the auspices of joint ventures or service contracts. In the summer of 1990, prior to its invasion of Kuwait, Iraq was also in negotiation with six companies, including those of the US, on new service contracts. In 1992, Iraq offered production sharing contracts to several foreign companies should sanctions be lifted. A production sharing contract would be a significant departure from the previously permitted service contracts and cooperation agreements. This is because a production sharing contract implies equity ownership of reserves by the foreign company and would be a retreat from the 1970's era of resource nationalism.

The Middle East and the West should have a vested interest in bringing Iraq back into their communities. Priority should not be focused on how to bring back an Iraq with or without Saddam Hussain, but rather to how one brings back a territorially intact Iraq. A limited Iraqi oil sale is one way to test the commitment of Baghdad to returning as a responsible regional actor on several counts. First, the oil sale provides greater rather than less accountability for the regime. This is particularly true as the security situation deteriorates as a direct result of sanctions. Second, cooperation will be required for all Iraqis to reap the benefits of the oil sale. Thus, we may be beginning to see, as mentioned previously, that the mere possibility of an oil sale is opening the door for cooperation between Baghdad and at least some of the Kurds. Iraq has recently announced its intention to resume, for example, electricity supplies to the north. In this regard, it should be noted that the Iraqi government moved quickly after the Gulf War to reconstruct the country's basic infrastructure -- including transportation, communication, electricity, and health facilities -- though these have subsequently suffered from the constraints of sanctions.

Third, the oil sale is also likely not only to help to solidify Iraq's relations with neighboring Turkey, but to give a badly needed boost to Turkey's economy. Turkey, for example, could receive in the vicinity of 50,000 b/d of Iraqi crude in compensation for transshipping it, depending on the amount of crude being transported, as well as agreements to sell humanitarian supplies to Iraq. As one of the two most populous states in the Middle East, along with Iran, Turkey has suffered an annual loss of $300 million in revenues transshipping Iraqi crude and more substantive losses from extensive trade and construction contracts with Iraq. All told, Turkish officials have claimed the loss is more than $20 billion. Turkish authorities have also attributed the increase of militant Kurdish nationalism since the end of the Gulf war in 1991 in large part to financial constraint and the loss of Baghdad's central control. Turkey, though the West has been slow to realize, will become one of the key strategic actors in future. Its geographic size and demographic diversity propel it into many important spheres of interest: European, Russian, Iranian, Arab Middle East, Mediterranean, Balkans, and Central Asian. It behooves US interests to promote a stable Turkey.

US Policy Toward Iraq and Oil Sanctions

The US has so far managed the sanction's issue with regard to Iraq through legalistic means in an international forum. Nonetheless, US advocacy for indefinitely prolonged sanctions increasingly have less resonance among its allies. This is particularly so as the strategic interests of individual countries in the post Cold War period become more apparent. Europe's proximity to the Middle East, for example, has caused it to pursue a policy of constructive engagement with Iran in contrast to the US position of dual containment. Turkey for its own internal reasons may not extend Operation Provide Comfort, the US-led force set up to protect Iraqi Kurds, past another three months unless there is a modification of it. Moreover, sovereignty issues -- so sensitive to Iraq -- are also shared by many other developing countries.

Moreover, though America's Western allies joined multilateral sanctions' regimes during the 1980s, they did so reluctantly. This reluctance has, if anything, hardened since 1990. This has been amply demonstrated by the European resistance to stiffen sanctions against Libya, which provides Europe a light, sweet crude to which its refineries are mainly geared. The "extra-territorial" sanctions being considered today bear even more serious consequences for forming multi-lateral sanctions regimes in future, leaving the US with the prospect of establishing unilateral sanctions regimes and possibly embroiling it in trade wars. Unfortunately, unilateral sanctions regimes, which notably have a very low rate of success, carry costs for the enforcer. These costs, however, are not born by the government, but by its business community who must sever all connections to the targeted country. In the near-term, this translates into an immediate loss of concessions, equipment, service contracts, supply of materials and jobs at home.

However, there are also unforeseen long-term costs of sanctions which strike at the heart of American competitiveness. Once the oil industry used to be called an American industry. It is no longer. The increasing implementation of sanctions as a political tool, which served to reduce market access for the US companies, spurred non-US oil companies to duplicate their technology. This has the further effect of cutting US competitiveness even in markets which are still open to it. Moreover, in the past, the benefit of being a US oil major was that it had numerous pieces available to play on the gameboard. However, as the largest pieces of the gameboard are declared off-limits -- such as Iraq, Iran, and now perhaps Nigeria, and Libya -- the operational flexibility that was the chief asset of the majors is undercut.

Hearing on U.S. POLICY TOWARD IRAQ
Committee on International Relations
U.S. House of Representatives
March 28, 1996
2172 Rayburn House Office Building

Oral testimony of Alan O. Makovsky,
Washington Institute for Near East Policy
Topic: Northern Iraq

Mr. Chairman, thank you for the opportunity to testify on this important panel. While I was a State Department official, I had the opportunity to work for Congressmen Hamilton as a Congressional Fellow on this committee's former subcommittee on Europe and the Middle East. That was a memorable and positive experience for me, and I'm honored to have been invited back to this body, the full committee, to testify.

I've been asked to offer some thoughts about northern Iraq. Northern Iraq is a particularly timely subject for two reasons. The first is imminent Turkish consideration of extending the mandate of Operation Provide Comfort. The other reason is the US diplomatic mission slated for early next month to go to northern Iraq to try to promote reconciliation between feuding Iraqi Kurdish factions.

Since our time is limited, let me summarize my four main points.

First, Operation Provide Comfort is an important humanitarian mission and an important means of sustaining pressure on Saddam Hussein. It deserves continued Congressional and Executive Branch support. To help assure continuation of vital backing by Turkey, supporters of Operation Provide Comfort should consistently make clear their support for Turkey's territorial integrity, their staunch opposition to murderous PKK separatists--who are waging war on Turkey from northern Iraq and elsewhere--and their understanding of Turkey's legitimate need to protect its borders.

Second, those of us who consider ourselves friends of the Iraqi Kurds must continually impress upon them the need for reconciliation and urge them to be responsive to the US diplomatic mission. If that mission does not succeed, the frightening trend toward "Lebanonization" of northern Iraq--highlighted by the increasing prominence of the PKK and the little-noted spread of Iranian influence in that region--will continue.

Third, it is well past time to ease application of UN sanctions against the Kurdish areas in northern Iraq and end the incongruous situation in which <u>liberated</u> areas of Iraq suffer under virtually the same economic restrictions as areas that remain under Saddam Hussein's tyrannical sway.

Fourth, the US should support the establishment of a war crimes commission to investigate allegations of Iraqi war crimes, crimes against humanity, and genocide against the Iraqi Kurdish population. A possible first step toward punishing the perpetrators, such a commission also would serve as a warning to future would-be tyrants.

I will now discuss these items, one-by-one as time allows, in greater detail.

First, Operation Provide Comfort. The Turkish parliament will vote soon on whether to extend the mandate of Operation Provide Comfort (OPC), which helps to deter aggression by Saddam Hussein and his forces against the mainly Kurdish population of northern Iraq. That vote could take place as early as today but certainly no later than this Sunday, March 31, when the current mandate expires. As you know, OPC is a multinational operation--composed of British, French, US, and Turkish forces--based in southern Turkey with the primary mission to assure that no Iraqi aircraft is flown above the thirty-sixth parallel. It was initiated in 1991 in response to the refugee crisis caused by Saddam Hussein's repressive measures following the Gulf War.

I would call for continued Congressional and Executive Branch support for Operation Provide Comfort, one of the great humanitarian success stories in history. Tens of thousnds of Kurds have been saved from starvation by Operation Provde Comfort, and the presence of US, British, and French aircraft operating from a Turkish air-base and patroling the skies above the 36th parallel is a powerful deterrent to Iraqi forces, which otherwise would assuredly try to reconquer the liberated areas of northern Iraq.

I am convinced that foreign-policy and security-policy decision-makers in Turkey favor the continuation of OPC, both out of respect for US-Turkish bilateral relations and because they calculate that, on balance, OPC serves Turkish interests. For a variety of reasons, however, OPC has always been unpopular with the Turkish public; in particular, many Turks feel that OPC sustains an environment in northern Iraq that benefits the terrorists of the PKK, the long-time separatist group that has used northern Iraq as one of its bases from which to attack Turkey. OPC began in Spring 1991, and the Turkish parliament has renewed its mandate every six months since December 1991--that is, at least until recently. The most recent extension, voted this past December as Turkey prepared for elections, was for only three months, and the extension currently under consideration also is for only three months.

The renewal of OPC's mandate in the Turkish parliament is becoming increasingly problematic, particularly in the newly elected parliament, where the Islamist Refah Party, strongly opposed to OPC, constitutes a significant bloc of opposition votes. Even the upcoming vote is in doubt; Bulent Ecevit, leader of the left-wing party upon which the Yilmaz-Ciller minority government relies for passive support, has said he will support the extension now under consideration only if he is assured that there will be no further extensions. Given the importance of OPC's mission, it behooves both the US and the

Turkish governments to continue trying to find some basis for conducting OPC that removes the ongoing uncertainty about its durability. This should be done, however, only without compromising the integrity of OPC's mission. Further, all friends and supporters of OPC should avail themselves of every opportunity to reassure the Turkish public about OPC by underscoring their support for Turkey's territorial integrity and their opposition to the PKK's terrorist methods and its brazen use of northern Iraqi territory to attack Turkey.

Point two: the US diplomatic mission to northern Iraq, growing Iranian influence, and the trend toward "Lebanonization" in northern Iraq. Some time early next month, the State Department will send a delegation to northern Iraq to continue its laudable effort to mediate an end to the conflict between the two major militias in northern Iraq, Masoud Barzani's Kurdistan Democratic Party (KDP) and Jalal Talabani's Patriotic Union of Kurdistan (PUK). The elements of that intra-Kurdish conflict remain roughly the same as they were when fighting broke out in May 1994, nearly two years ago. Ostensibly, the sides are arguing over money and territory. In reality, the struggle is mainly about personal and group power and prestige.

The breakdown of the Iraqi Kurdish unity that evolved following the 1991 refugee crisis is a tragedy that has claimed some 3,000 Iraqi Kurdish lives and created a power vacuum that has allowed the intrusion of unwelcome influence by Iran and the terrorist PKK. The US effort to settle the intra-Kurdish conflict has yielded one very important success--a cease-fire that has held for over eight months and put an end to the killing. Also, as a result of a series of talks begun last August in Ireland and known as the Dublin process, the US mediation effort has produced a draft text of a framework agreement for ending the conflict entirely; working to finalize that agreement is the focus of the current State Department mission.

The Administration's efforts in this regard are praiseworthy, as well as challenging. Challenging, because of the intensity and, at times, seeming immutability, of the rivalry between Barzani and Talabani. Challenging also because US leverage over the Kurds is declining relative to that of some regional states. Our ultimate leverage with the Kurds, the threat of removal of OPC, is simply not very credible to many Kurds, who are convinced, probably correctly, that the US supports OPC as much as a means of pressing Saddam as to protect northern Iraq.

Although the US effort to resolve the Barzani-Talabani dispute has not yet met with success, it is important that it do so soon. Otherwise, the disturbing trend toward "Lebanonization"--by which I mean active involvement in northern Iraq by counter-productive outside forces--is likely to continue. Over the past year, Syria, the PKK, and, most disturbingly, Iran have all tried to fill the vacuum created by the internal Iraqi Kurdish feud. PKK exploitation of northern Iraq has naturally provoked Turkish intervention, including a six-week land-and-air operation last year.

In August, the PKK effectively invaded northern Iraq at Syrian behest. The PKK leader declared that he wanted to make his group a rival to Barzani's KDP and Talabani's PUK for power in northern Iraq. The PKK's bid to defeat Barzani in the north failed, but resulted in an apparent cease-fire agreement that deepened the PKK's foothold in the region. Syria, of course, is the primary supporter of the PKK in the region, but Iran also supports the PKK.

With little fanfare, Iran has been conducting its own mediation effort between the Iraqi Kurdish parties, in parallel to the US effort. Iranian agencies, intelligence organizations, offices, and even small numbers of troops are reliably reported to be scattered throughout northern Iraq. In January, an Iranian official from the office of President Khamenei toured northern Iraq, hosted by the Iraqi Kurdish parties, and was treated to a staged hero's welcome in all the major cities of the north.

The source of Iran's influence in northern Iraq is traditional regional power politics re-inforced by the split between the Iraqi Kurds. Because of the division of territory between the KDP and PUK, the only outlet to the world for Talabani and other identifiable PUK members is through Iran. Iran builds on its influence over the PUK by providing it with aid as well; Iran reportedly has been providing Kurdish civil servants in PUK-held areas with salaries for the past several months. This close Iranian-PUK relationship encourages the KDP also to build bridges to Iran. Iran also reportedly exploited the fighting between the two Iraqi Kurdish factions, alternatively supplying logistical support and, according to some reports, even weapons first to one side, then the other.

Iran's strategic goals are clear: to minimize US influence in the region and to assure itself a role in the political construction of post-Saddam Iraq.

The answer to Iranian influence-building in the region is a restoration of Kurdish cooperation, which would lessen northern Iraq's dependence on Iran. The Administration is pursuing that goal with energy, but there is at least one small but important area where it should do better. Let me explain: According to the terms of the draft framework agreement produced by the Dublin process, future distribution of funds among the Kurdish groups and implementation of other aspects of a final agreement would be monitored by a so-called "neutral commission" to be formed by the Iraqi National Congress, the Iraqi umbrella opposition group based in northern Iraq. This neutral commission is to consist of unaffiliated Kurds and non-Kurdish Iraqis. The US apparently pledged to supply the start-up funds for that neutral commission but, I'm reliably told, has not yet delivered, apparently because of bureaucratic snags. The amount of money involved is relatively small, but it is crucial both for enforcing any agreement and, more importantly at this stage, for convincing the Kurdish parties of the sincerity of the US commitment to achieving an agreement. Congressional support for this initiative is important.

Also, Congressmen who can do so would do well to urge their Iraqi Kurdish friends to promote KDP-PUK reconciliation. Restoration of Iraqi Kurdish cooperation in northern Iraq would serve a variety of purposes: humanitarian,i.e., protection of the Kurds' well-being; political, i.e., encouraging effective opposition to Saddam; and strategic, i.e., containing Iranian and PKK influence in the region.

Third point: easing UN sanctions applied to northern Iraq. Let me suggest a significant step the US and its allies could take that would serve all of these ends--humanitarian, political, and strategic, as well as economic. That step is the relaxation of anti-Iraq UN sanctions as applied to the liberated north. As you know, Mr. Chairman, northern Iraq lives under not one embargo, but two. The very same U.N. economic sanctions that are applied to the areas held by the Saddam Hussein regime are also, inexplicably, applied to the area that has freed itself from his control. In addition, Saddam Hussein imposes his own internal embargo on the flow of food, medicine, and other materials to the Kurdish-populated north.

It is simply illogical for UN sanctions that are intended to put pressure on the regime of Saddam Hussein to be applied virtually equally to those who have successfully thrown off his yoke. Easing the UN sanctions as applied to the north would not take a Security Council decision; what is required is merely a more liberal implementation of the sanctions regime by the UN sanctions committee.

Such action would serve several purposes. It would:

1. improve the material lives of Iraqi Kurds, whose difficult straits and lack of an indigenous economy are among the major contributing factors to intra-Kurdish fighting.

2. ease unemployment among Iraqi Kurds, which many also believe fuels the fighting. In today's northern Iraq, fighting for a Kurdish faction is often the only wage-paying work available.

3. lessen the financial burden on the international community, upon whom the Kurds are now dependent for material support. Over $30 million of this aid comes annually and generously from
the US itself.

4. increase security for our ally Turkey. By enlarging the economic pie in northern Iraq and eliminating one of the causes of intra-Kurdish feuding, Iraqi Kurdish fighters would be better able to provide security on the Turkish border, as they undertook to do three years ago, and thus diminish the threat that Turkey faces from the PKK.

5. and, perhaps most important from a policy perspective, boost our anti-Saddam policy by sending a powerful message to all Iraqis that those liberated from Saddam will be better off, politically and materially, than those still under his rule.

Mr. Chairman, I am aware of the traditional arguments that have been made against easing the double embargo. The primary objection--which was cited by President Clinton in a letter responding to 23 U.S. Senators two years ago--is that an easing of U.N. sanctions against the north will fuel regional concerns about the break-up of the Iraqi state, whereas the US remains committed to the territorial integrity of Iraq. I believe this objection can be met, however, by effective public diplomacy. In easing UN sanctions against the north, the international community could declare its commitment to Iraqi territorial integrity and emphasize that the diffential treatment accorded the north was due to its success in repelling Saddam Hussein, not to any separate political ambitions on behalf of the north. The Iraqi National Congress--the umbrella Iraqi opposition group which itself is based in northern Iraq--and the Iraqi Kurds themselves could join such a declaration.

Another objection to lifting the incongruous UN sanctions against the north is that the Kurds lack the ability to prevent smuggling to the rest of Iraq. That is a fair point, but I believe monitoring methods could be found to keep such smuggling to a minimum. Moreover, a minimal level of "leakage" to Baghdad-held areas, even were it to occur, would be more than compensated, in policy terms, by the message of hope and incentive it would send to all other Iraqis fed up with the regime of Saddam Hussein. Nor would such leakage in any way affect the most important dimension of the sanctions--the restrictions on Iraqi oil exports.

Fourth and final point: establishment of a war crimes commission. I would like to say a word about the moral dimension of US policy. I think it is important that the issue of human rights be kept at the forefront of US policy toward Iraq. The justification for the existence of Operation Provide Comfort--indeed, for our opposition to the Saddam Hussein regime--is, after all, fundamentally a moral one.

This administration deserves credit for raising the profile of the human rights issue by explicitly linking the lifting of sanctions to Iraqi compliance with all relevant UN Security Council resolutions passed in the wake of the Iraqi invasion of Kuwait and by openly criticizing ongoing Iraqi repression of its own citizens. This has been generally understood to mean that the US will require, as a condition for ending sanctions, Iraqi compliance with UN Security Council Resolution 688, which "condemns the repression of the Iraqi civilian population," including "in Kurdish populated areas," and "demands that Iraq...end this repression."

Mr. Chairman, UN Security Council Resolution 688 stands as a benchmark for any Iraqi regime, even post-Saddam Hussein, and warning that Iraq must be a state in which all its citizens--Arab, Kurds, Turcomans, and others--live a life free of repression. We don't want to see any repetition of what the Kurds, and other Iraqis, have already endured under Saddam Hussein.

Accordingly, I would urge that the US government avail itself of every

opportunity, when discussing its Iraq policy, to emphasize its commitment to making Iraqi compliance with human rights requirements, and particularly with UN Security Council Resolution 688, a condition for easing sanctions.

Regarding the Iraqi Kurds, the condemnable feuding between the northern Iraqi Kurdish militias should not obscure the terrible tragedy the Iraqi Kurds suffered under Saddam Hussein, nor should it distort our understanding of the attitudes of the vast majority of Iraqi Kurds. Only several thousand of a population of three million in northern Iraq have been involved in the fighting. By most accounts, most of the population is deeply angry with what they see as a self-serving grab by Iraqi Kurdish leaders for money and territory. For the vast majority of northern Iraqis, our humanitarian mission remains as relevant today as ever.

Mr. Chairman, I believe the US government should firmly align itself with those who support formation of an international commission to study allegations of Iraqi war crimes, crimes against humanity, and genocide against the Iraqi Kurdish population. Working for the establishment of such a commission should be a primary element of US policy toward Iraq.

Based on my own observations while I had the privilege to serve as State Department Political Advisor on Operation Provide Comfort four years ago--long after the chemical attacks and the brutal anti-Kurdish campaigns known by the Arabic name "anfal" had ended--I have no doubt such crimes were committed. A seemingly endless string of destroyed villages in northern Iraq is but one living testimony. If there are any doubters, however, I know of no better or more convincing source on the crimes of the Saddam Hussein regime against the Kurds than the impressively documented book by Human Rights Watch called Iraq's Crime of Genocide: The Anfal Campaign against the Kurds, published last year by Yale University Press.

I would also call to the subcommittee's attention in this regard the important writings of Kanan Makiya about the "anfal" in his most recent book, Cruelty and Silence, and in his Harper's magazine article of May 1992, as well as his BBC-TV documentary.

An international commission could lay out the evidence before the world, so that the criminal nature of the Saddam Hussein regime would be transparent for all. This would be appropriate from a policy point of view, as well as a moral one. It would bolster the case for continuing ongoing sanctions against the Iraqi regime and for continuing Operation Provide Comfort. Like the Bosnian war crimes tribunal, it would also serve as a warning to future would-be tyrants. But, most important, it would give the Iraqi Kurds their minimum due: recognition of the atrocities they suffered while the world stood by in near-total silence.

Thank you very much, Mr. Chairman.

STATEMENT OF

REND RAHIM FRANCKE

EXECUTIVE DIRECTOR, THE IRAQ FOUNDATION

MARCH 28, 1996

TO THE HOUSE COMMITTEE ON INTERNATIONAL AFFAIRS

STATEMENT BY REND RAHIM FRANCKE

Mr. Chairman,

Thank you for giving me the opportunity to raise some issues regarding the current situation in Iraq.

I would like to concentrate on three matters of importance to US interests in Iraq.

I. The Situation in Northern Iraq

1. US Efforts at Kurdish Mediation

In August 1995, the United States embarked on an effort to mediate between the Kurdish warring parties, the Kurdish Democratic Party (KDP) led by Masoud Barzani and the Patriotic Union of Kurdistan (PUK) led by Jalal Talabani. Several meetings were held in Ireland, followed by meetings in northern Iraq.

The Kurdish parties were responsive, and the framework of an agreement was accepted. However the effort was unproductive because the US failed (i) to put in place an implementation mechanism (ii) to activate the agreed all-Iraqi neutral commission which would oversee disengagement and normalization in northern Iraq. As a result, the Kurdish parties lost faith in the US seriousness, and were again thrown back on their own resources.

The failure of the US to address the situation effectively left the region an easy prey to intervention and power grabs.

2. Iran.

Since May 1995, Iran has increased and consolidated its political and intelligence bases in northern Iraq. It has sought alliances and recruited clients. Now there are Iranian intelligence and Revolutionary Guard centers in at least five Kurdish cities. This number in itself is significant, but its importance is compounded by the fact that these are in many ways command-and-control centers which exist to mobilize support and direct operations. The Kurdish parties, in need of political support and under the pressure of a long porous border with Iran, have little alternative but to cooperate with the Iranians. Iran has thus come to fill a political vacuum in the Kurdish region: its friendship provides a security deterrent and ensures cross-border trade.

To illustrate Iranian leverage, in the fall of 1995 Iran conducted intensive diplomacy in the Kurdish region and held a series of bilateral talks in Tehran with the KDP and the PUK to negotiate a peace between the two parties. Although no formal agreement was

signed, a ceasefire, albeit fragile, has prevailed in the region since then.

In January 1996, a 47-strong Iranian delegation, led by Agha Muhammadi, the senior Iranian official in charge of Iraqi affairs, toured Iraqi Kurdistan for ten days, met senior officials of all Kurdish parties and addressed large crowds in Kurdish cities as well as the Kurdish parliament in Erbil.

Last week Iran succeeded in brokering an agreement between the KDP and the Kurdish Workers' Party (PKK) which would end hostilities between the two parties and give the PKK sanctuary in a corner of northern Iraq that borders on both Turkey and Iran. This means that the PKK, which has been the cause of repeated destructive Turkish incursions into northern Iraq, will become an entrenched third political force in northern Iraqi affairs. I would like to recall here the statement of the PKK leader Oclan in August 1995, in which he vowed to derail US attempts at mediation between Iraqi Kurds and to install the PKK as a ppolitical party in Iraqi Kurdistan.

Iran has thus become the power broker and the guarantor of a sort of peace in northern Iraq.

2. **Saddam Hussein.**

The second force emerging in the Kurdsih region is the regime of Saddam Hussein. In early March the Iraqi oil minister, Amer Rasheed, and his team of guards and technicians, were given safe conduct by the KDP on their traval to and from Turkey for negotiations. It should be noted that this is the first time since the Gulf war that Iraqi officials have used any route out of Iraq other than Jordan, and it sets an ominous precedent, regardless of the reasons. It has been reliably reported that Rasheed met during his passage through Kurdistan with senior KDP officials on his outbound and return journeys. Numerous and troubling reports have emerged of increasing contact between Baghdad and the KDP, which have been explained away as preparations for the reactivation of the Iraq-Turkey oil pipeline.

There are increasing signs that Saddam Hussein wants to restore his hegemony over northern Iraq through his customary tactic of divide and rule, wooing one faction at the expense of the other, making promises veiled with threats. Given the political disarray, the factional fighting, and the lack of a unifying political force in the north, the doors are now open wider than ever in the past five years open for Saddam's meddling.

Unless the United States makes a serious and determined effort to put in place a viable peace agreement in northern Iraq, Iranian hegemony will spread, and its only check will be Saddam Hussein's machinations.

II. Regional Moves

Several of Iraq's neighbors are acutely aware of the dangers posed by Saddam Hussein to Iraq and to themselves, and are troubled by the continued threat of biological and chemical revanchiste attacks. Seeing at close quarters the corrosion of state and society in Iraq under Saddam's rule, these countries are equally aware of the dangers that chaotic conditions in Iraq can present to the security of the region. The countries of the region know that Iraq will always be a critical factor in regional security issues, whether those affecting the Middle East peace process or overall Gulf security, and it is clear to many of them that no viable regional order can be developed while Saddam Hussein is in power.

Since the Gulf war, the region has expected the United States to take the lead in developing an adequate and viable policy to counter these dangers. In the absence of a US policy towards Iraq, several countries have decided to launch their own initiatives, and have sparked a regional rivalry for controlling the process of change in Iraq.

1. **Jordan**

The decision by King Hussein of Jordan to take a firm stand in support of the people of Iraq against the abuses of the Iraqi regime was the most significant change in the regional political climate since the Gulf war. His outspoken advocacy of democracy, human rights and responsible policies in Iraq is the first to be heard in the region. Iraqis have welcomed the King's position with enthusiasm and hope, recognising it as a message that embodies their aspirations.

Over the last two decades, Jordan has developed good ties with the Iraqi people, including the military and the civil service. During the past few months, defections to Jordan have risen, adding to the tens of thousands of Iraqis already taking refuge in that country. Last week, Lt. General Nezar Al-Khazraji, until 1990 chief of staff of the Iraqi armed forces, fled to Jordan, in a further indication of indication of Jordan's appeal to Iraqi dissidents.

King Hussein's initiative is the best opportunity thus far for bringing about change for the better in Iraq, and there are many ways in which the US can support Jordan's initiative. Yet to date this support has been unclear and ambivalent. Meanwhile, Jordan has made itself vulnerable to retaliation from Saddam Hussein in the form of sabotage, terrorism and subversion.

1. **Iran and Syria**

Both Iran and Syria are hosts to large numbers of Iraqi refugees. The major Iraqi political groups in Syria are the Arab nationalists, disaffected Ba'thists and Iraqi communists; Iran has harbored the major Shi'a Islamists groups. Over the years Iran and Syria have largely coordinated their policies towards the Iraqi

regime and the Iraqi opposition. Iranian senior officials make frequent visits to Damascus for this purpose, most recently the visit of Hassan Habibi, the Iranian First Vice-President at the end of February.

Iran and Syria are now working to convene a meeting of the Iraqi opposition in Damascus, which will bring together the groups in Syria and Iran as well as the KDP and the PUK. The meeting will take place outside the framwork of the Iraqi National Congress, (INC), the principal Iraqi coalition. There are reports that Iran is putting pressure on the Kurdish parties to attend.

The purpose of the meeting is not to discuss political matters but operational issues: that is, mechanics of joint action against the Iraqi regime on the ground in Iraq. The implications of such an initiative can be far-reaching and long-lasting, not only for iraq but for the Middle East and Gulf region. Syria is especially interested in holding the meeting in order to counter and compete with the effort of King Hussein of Jordan.

III. The Situation in Government-Controlled Areas

1. Shi'a Areas in the South

In southern Iraq, Saddam Hussein has conducted a medieval-style siege of the Marsh Arabs. The three-year campaign against the southern marshes has turned the 10,000 square mile ancient marshes into a desert under military control. It is impossible to tell how many Marsh Arabs have died as a result of Saddam's military assaults on marsh villages or as a result of the siege conditions imposed on them. From interviews with refugees in Iran, no marsh family has been spared, and the camps are full of widows, orphans and bereaved parents.

The campaign has created a humanitarian problem of huge proportions. Of some 350,000 Marsh Arabs, over 100,000 have been forced to flee across mud flats into Iran, swelling the refugee camps in southwest Iran and increasing the number of Iraqis who, unwillingly, have had to throw themselves at the mercy of the Iranian government.

Another 250,000 have become internal refugees, leaving their homes, posessions and livelihood to migrate to southern towns. Because of Saddam Hussein's hostility towards them, these internal refugees have no access to food, housing, medical or other social services. Most of these families cannot participate in the ration card system in place in Iraq. It is questionable whether these refugees will benefit at all from the implementation of UNSC Resolution 986, unless United Nations monitors are alerted to their special problem and are rigorous in their monitoring activities.

While the cities of southern Iraq are quiet, the countryside is the arena of constant low-intensity querilla warfare between government troops and rebel groups. Desertions from the army continue at a high rate, and groups of deserters and civilians have banded together to form armed mobile attack teams. Their activities are carried out in the smaller towns and villages surrounding the dry marshes, and are aimed at army units, Security offices and Ba'th Party posts. The regime has been unable to reverse the escalation of these confrontations, which now occur almost daily throughout the south, usually to the detriment of government troops.

2. **The Central Region**

The assasination in late February of Hussein Kamel and close family members in Baghdad has taken the violence and conflict into the hear of the ruling Tikriti clan. Those of Hussein Kamel's family who have not been killed have either fled or are being hunted down. A brother in law of Kamel's, whose wife and children were killed in the massacre, stayed in Jordan and is bent on revenge. Saddam Hussein's half-brothers are under house arrest and their property has been confiscated. Saddam Hussein has conducted purges in Baghdad, Tikrit, Ramadi and other central cities. This latest eruption of violence among what is termed Iraq's ruling Sunni elite only adds to the hatreds and hostilities that began two years ago and surfaced dramatically in the May-June rebellion of the Dulaim in Ramadi.

What is left in Iraq is Saddam Hussein and his two sons, Uday and Qusay. The attempt to give government posts to non-family members which we saw after August 1995 is a smokescreen for where real power resides in Iraq. Saddam and his sons look to be in control for the sole reason that the internal dissent cannot, for security reasons, organize and coalesce. The decomposition of the regular army and the unreliability of the Republican Guard have left residual fighting capability only in paramilitary groups: the Special Guard and Special Security, both overseen by Qusay, and the Feda'iyee Saddam (Commandos of Saddam), run by Uday.

Conclusion

Mr. Chairman,

Conditions in Iraq today are like a pressure cooker, likely to to have a messy explosion. In the north there is every opportunity of Iranian hegemony, which would be perceived as jeapordizing Turkey interests; the countries of the region are competing for control over Iraq with conflicting agendas and objective, and their clash can already be heard; and the internal situation is extremely unstable. Iraq faces a strong danger of turning into a second Lebanon, but with important differences: Conflict in Iraq will not be "containable" because there it has too many neighbors with different interests, and because the stakes are high.

It is crucial for the US to develop a serious and active policy for change in Iraq, and work with US allies in the region to ensure that the process of change is orderly, moderate and sensitive to Iraq's complex social and political fabric.

Question for the Record Submitted to
United States Permanent Representative to the United Nations
Ambassador Madeleine K. Albright
by Chairman Gilman
House International Relations Committee
March 28, 1996

Answer Incorporates Information as of April 23, 1996

Iraq

Question:

1. Do you have information on a news report that a senior Jordanian energy official said that Iraqi crude oil is a possible source of supply for an export-oriented refinery they are planning to build?

Answer:

We are aware of this report. It is our understanding that the construction of such a refinery remains in the long-term planning stage. Jordan's imports of oil from Iraq have been limited to 70,000 b/d for some time. The Security Council has taken note of this arrangement, and of Jordan's current dependence on Iraq for oil. We have no reason to believe Jordan will increase this amount so long as sanctions are in place.

Question for the Record Submitted to
United States Permanent Representative to the United Nations
Ambassador Madeleine K. Albright
by Chairman Gilman
House International Relations Committee
March 28, 1996

Answer Incorporates Information as of April 23, 1996

Iraq

Question:

2. Have the U.S. or the UN objected to Turkish obstruction of access by the Mines Advisory Group to Northern Iraq?

Answer:

We consider demining an important part of the international humanitarian effort in northern Iraq. M.A.G., a British NGO, has demonstrated its strong capability to conduct a demining program, and has received funding from the Agency for International Development in the past for work in northern Iraq. Our view that this is a legitimate humanitarian relief activity has been made clear to the government of Turkey. Despite approaches from the U.N., the U.S. and allied governments, Turkey has shown no flexibility regarding its prohibition against the export of demining equipment to Iraq.

Question for the Record Submitted to
United States Permanent Representative to the United Nations
Ambassador Madeleine K. Albright
by Chairman Gilman
House International Relations Committee
March 28, 1996

Answer Incorporates Information as of April 23, 1996

Question:

1. What is the Administration position on the sale of super-Cobra helicopters to Turkey?

Answer:

The possible sale of super-Cobra helicopters to Turkey remains under review.

BOSTON PUBLIC LIBRARY
3 9999 05983 850 6

EXPLANATION OF VOTE

ON THE UNSCOM/IAEA EXPORT-IMPORT RESOLUTION

BY AMBASSADOR KARL F. INDERFURTH

MARCH 27, 1996

MR. PRESIDENT,

WITH THIS UNANIMOUS VOTE TODAY, THE COUNCIL IS AGAIN UNDERLINING THE COMPLETE FAITH IT PUTS IN UNSCOM. THE SPECIAL COMMISSION WAS CREATED BY THE COUNCIL, AND WE HAVE A RESPONSIBILITY TO MAKE SURE IT HAS ALL OF THE RESOURCES IT NEEDS TO MEET ITS GOAL, WHICH IS ESSENTIAL TO THE FUTURE PEACE AND STABILITY OF THE REGION.

I WANT TO SALUTE THE HARD WORK OF UNSCOM AND IAEA IN FORMULATING THIS MECHANISM. THEY BROUGHT TOGETHER EXPERTS FROM A NUMBER OF COUNTRIES, INCLUDING THE PERMANENT MEMBERS OF THE COUNCIL, AND HAVE SPARED NO EFFORT IN EXPLAINING TO THOSE EXPERTS ALL THE CONSIDERATIONS THAT WENT INTO THE MECHANISM. THEY HAVE PATIENTLY ANSWERED AND TAKEN ACCOUNT OF ALL OF THE QUESTIONS AND CONCERNS RAISED BY STATES THROUGHOUT THAT TWO-YEAR LONG PROCESS. INDEED, ALL OF THOSE STATES THAT PARTICIPATED IN UNSCOM'S AND IAEA'S LONG CONSULTATION PROCESS OUGHT TO CONSIDER THEMSELVES CO-DRAFTERS OF THIS MECHANISM.

WE KNOW THAT UNSCOM AND IAEA WILL CONTINUE THIS CONSULTATION PROCESS, AND THAT THEY WILL BE DILIGENT IN PROVIDING STATES WITH ALL THE INFORMATION NECESSARY TO IMPLEMENT THE NEW REPORTING REQUIREMENT. WE PUT OUR COMPLETE TRUST IN THOSE TWO BODIES IN DECIDING WHEN STATES CAN PROCEED WITH THE EFFECTIVE IMPLEMENTATION OF THE MECHANISM.

THIS MECHANISM WAS MANDATED BY SECURITY COUNCIL RESOLUTION 715 TO BE AN INTEGRAL PART OF THE ONGOING MONITORING REGIME ESTABLISHED BY THAT RESOLUTION. IT WILL IMMEDIATELY HELP UNSCOM IN MONITORING THE LOW VOLUME OF CURRENT IMPORTS TO IRAQ, WHICH INCLUDE SOME DUAL-USE ITEMS. IN THE LONGER RUN, IT WILL BE ESSENTIAL IF THE COUNCIL IS TO ONE DAY BE CONVINCED OF SOMETHING WE STILL VERY MUCH DOUBT: IRAQ'S COMMITMENT NOT TO DEVELOP AGAIN WEAPONS OF MASS DESTRUCTION. IN THAT SENSE, THIS VERY TECHNICAL STEP IS A PREREQUISITE TO THE LIFTING OF SANCTIONS. BUT THE ONLY STEP THAT WILL TRULY BRING US CLOSER TO THE LIFTING OF SANCTIONS WILL BE A NEW IRAQI ATTITUDE OF COOPERATION WITH THE IAEA, THE SPECIAL COMMISSION AND THE COUNCIL TO MEET ALL OF IRAQ'S OBLIGATIONS.

○

ISBN 0-16-052976-X

90000

9 780160 529764

26-149 - 96 (96)